S. ADM
BRARY
SEP 23 1941

Final Edition

In 2 Sections — Section 1

# The COMMERCIAL & FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

WITH WHICH HAS BEEN COMBINED THE FINANCIAL REPORTER

Volume 154 Number 3982 New York, N. Y., Thursday, September 18, 1941 Price 40 Cents a Copy

## "JOTTINGS"

Side-lights on the recent "gasoline shortage" fiasco;

It turns out to have been a "shortage of surplus."

Public reaction against official mis-handling of the situation may hamper necessary further official efforts, for there will be for a time at least, a dangerous lack of surplus stocks such as might be needed for quickly increased Navy needs or for an unusually severe winter.

◆

The mistakes of Mr. Ickes seem to have prevented the public from noticing the remarkable and praiseworthy achievements of the petroleum industry in adjusting to the situation. Of an original shortage of round 350,000 barrels a day caused by the 50-tanker diversion, the industry very quickly picked up 175,000 barrels by economies here and readjustments there. Of this they picked up 60,000 barrels by raising the tanker load-line. They began moving products up the Mississippi by barge; indirectly relieving the pressure by reversing seaboard-inland pipe-line movements; moving oil by truck and tank-car (sic). The Portland Montreal pipe-line will save some 35,000 barrels a day. The companies have switched their own

(Continued on Page 204)

## OUR REPORTER'S REPORT

The underwriting fraternity is not in a particularly happy mood at the moment what with recent developments in Washington having aroused anew concern over probable action to increase the reserve requirements of Federal Reserve member banks.

**This proposal long sponsored by the Reserve Board, and now gaining adherence among those who hitherto opposed it, is among the multifold steps suggested as a means of putting the "brake" on inflationary tends.**

Reserve city banks now have a reserve requirement of 23 per cent, the rate having been re-

(Continued on Page 201)

## Charles Hayden Golf Tourney For Sept. 26; 41 Wall Street Houses Will Participate

The nineteenth annual Charles Hayden Memorial Trophy Tournament, in which golf teams representing 41 investment banking firms will participate, will be held on September 26 at the Oakland Gold Club at Bayside, Long Island, it was announced by W. Halsted Taft of Hemphill, Noyes & Co., chairman of the tournament committee.

◆

Originated by the late Charles Hayden, the tournament was first played in 1922, since which time three cups donated by Mr. Hayden have been won outright and removed from competition. Last year the partners of Hayden, Stone & Co. donated a new trophy to be kept in perpetual play as a memorial to Mr. Hayden. It was won by a team representing Hemphill, Noyes & Co. in whose possession it has remained for the past year.

The banking firms which have accepted invitations to participate in this year's tournament are: A. C. Allyn and Company, Inc.; Baker, Weeks & Harden; Blair & Co., Inc.; Blyth & Co., Inc.; H. M. Byllesby and Company, Incorporated; Central Republic Company, Incorporated; Dillon, Read & Co.; Dominick & Dominick; Eastman, Dillon & Co.; Gilbert Eliott & Co.; Emanuel & Co.; Estabrook & Co.; Fahnestock & Co.; The First Boston Corporation; Glore, Forgan & Co.; Goldman, Sachs & Co.; Graham, Parsons & Co.; Hallgarten & Co.; Halsey Stuart & Co.; Harriman Ripley & Co., Incorporated; Hayden, Stone & Co.; Hemphill, Noyes & Co.; Jackson & Curtis; Kuhn, Loeb & Co.; Ladenburg, Thalmann & Co.;

(Continued on Page 201)

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WE AWAIT YOU

Several months ago we invited you to come "Way Down Yonder to New Orleans" to the Eighth Annual Convention of the National Security Traders Association. Since then, we have been proclaiming the many treats in store for you. Next week the time will arrive for us to prove ourselves. We eagerly await you.

At times you may have thought our claims to be exaggerated or, perhaps, in your leniency you have attributed our glowing reports to a tinge of enthusiasm. We can assure you that such is far from actuality; we are very confident of the many attractions of our city which have been utilized in our program. We beg the opportunity to fulfill our boasts and promise that we shall not disappoint you.

This is our final message before convention time. If you have not already done so, we urge you to join the large number who have made their reservations. Then simply pack your bag, come to New Orleans, and leave the rest to us. We are eagerly awaiting you.

NEW ORLEANS SECURITY TRADERS ASSOCIATION

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## 200 "Revelers" Enjoy All-Day Outing; Club Votes To Retain Present Name

A record crowd of 200 members and guests attended the outing of "The Revelers" at the Pomonok Country Club at Flushing, L. I.

Winners of the sports events were:

**Golf**: Kickers' handicap, Leonard Sullivan, Phelps, Fenn & Co., with a score of 75; low net, Scott Russell, Jr., Glore, Forgan & Co., with a score o 70, Harley Watson, Eldredge & Co., Inc., runner up, with 71; low gross, Neal Fulkerson, Bankers Trust Company, with 76; high gross, Harry Youngdahl, R. L. Day & Co., with 140; most strokes per hole, Lawrence Lembo, Glickenhaus & Lembo; highest handicap prize, Charles Churchill, Churchill, Sims & Co., Inc., whose handicap was 45. Eugene McMahon, Heller, Bruce & Co., Inc., came nearest to the pin,—3 feet 5½ inches on a par three hole. Ferris Moulton, R. H. Moulton & Co., Inc., made the longest drive of the day, 230 yards.

**Tennis**: Edwin Cross, Roosevelt & Weigold, Inc., and George Barnett, Blyth & Co., Inc.; Brainerd Whitbeck, Jr. and Warren Ruston, both of the First Boston Corp., runners up.

The traditional baseball game between the "Appraisers" under Frank Lynch & Blair & Co., and the "Quoters" captained by Arthur Lewis of R. A. Ward & Co., Inc., was won by the "Appraisers" with a score of 7 to 5. Prizes were presented to James Gilbert, G. M.-P. Murphy & Co., for the best catch of the game, and to Charles LeRoy, Union Securities Corp., for the most spectacular play. The longest hit was made by Kenneth Sickler, Chase National Bank. Francis Gallagher, Kidder, Peabody & Co., was announced as the losing umpire.

At the bond market, Charles Barrington, Harry Downs & Co., carried off a $300 defense bond and Ernest Altgelt, Harris Trust & Savings Bank a $150 defense bond. Fifteen other issues were awarded during the evening.

The club voted unanimously to retain the present name "The Revelers" and not to change to The Municipal Bond Traders Club.

Next year's outing committee was appointed and will consist of George Barnett, Chairman, Blyth & Co., Inc. Brainerd Whitbeck Jr., First Boston Corp., and Neal Fulkerson, Bankers Trust Co.

John Reily, Weeden & Co., Inc., acted as toastmaster at the dinner.

## Announce Winners Of Sports Events At Security Traders Ass'n Of New York Outing

The annual summer outing of the Security Traders Association of New York at the Hummocks Country Club, Mamaroneck, N. Y., was attended by a record group who pronounced the outing the most successful the organization has ever held.

Winners in the golf tourney were:

Low Gross: J. Lann, M. S. Wien & Co., 79; runner up, John Cornell, Roggenberg & Co., 80.

Low Net: Harry Parker, Colonial Bond & Share Corp., 82-18-64, runner up Belmont Towbin, C. E. Unterberg & Co., 104-40-64.

Kickers Handicap (70-80): S. H. Junger & Co., 73, L. Wrenn, Allen & Co., 73; Robert Benkiser, Grace National Bank, 72; J. Monahan, J. F. Sammon & Co., 72; S. W. Kirtland, 72.

Door prizes were awarded to Carl A. Swenson, W. E. Hutton & Co.; Milton Van Riper, Mackubin, Legg & Co.; "Mike" Heeney, Jos. McManus & Co.; Thomas Kenney, Dimpel, Hulsebosch & Co.; Dudley Jaffin, M. S. Wien & Co.; John Butler, Frederic H. Hatch & Co.; Fred Barton, Eastman, Dillon & Co., George Anderson, Dean Witter & Co.; L. H. Serlen, Josephthal & Co.; David Sindel, Josephthal & Co.; Wilbur Krisam, Huff, Geyer & Hecht; Richard F. Abbe, Van Tuyl & Abbe; Charles C. Kimball, A. E. Ames & Co.; "Bill" Kumm, Dunne & Co.; and Walter Saunders, Dominion Securities Corp.

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## Dealer Briefs

### New York City

We feel that the interest in reorganization rail bonds from this point on is most likely to dwindle. In another six weeks the annual tax selling begins and we feel that this is a good time to retain ready cash with which to absorb these tax sales when and if they come. . . . Bernard Aronson,—Bernard Aronson and Company.

### Philadelphia, Pa.

Many investors and speculators in stocks are in the "same boat" to-day. The investor because he is speculating unknowingly by holding on to some former favored stocks which continue to make or to hover around new low prices. The all-important question to-day, and also indicated for next year, is taxes. Will the company in question, during the defense period, be able to not only maintain its last year's net but be successful in carrying over to net profits part of its increased gross profits? This tax question the investor should have answered on every stock he continues to hold or expects to buy once he determines the time is here to buy good selected stocks. . . . John A. Milburn, Hecker & Co.

## To Represent Traders Of N. Y. At Convention

In addition to a very large delegation from New York who intend to attend the National Security Traders Association Convention in New Orleans on September 23, 24 and 25, the Security Traders Association of New York will be represented by the following National Committeemen:

Walter F. Saunders of the Dominion Securities Corp., who is also President of the Association, Wilbur R. Wittich of Bond & Goodwin, James Musson of B. J. Van Ingen & Co., Stanley Roggenburg of Roggenburg & Co., and Benjamin H. Van Keegan of Frank C. Masterson & Co.

New York is also represented on the Executive Committee of the National Security Traders Association by Chester E. de Willers of Schoonover, de Willers & Co., Vice-President of the National Security Traders Association and member of the Executive Committee, and Willis R. Summers of Hoit, Rose & Troster, who is also a member of the Executive Committee. These men will be in attendance at all of the meetings to be held during the convention.

## Fellowes Davis Will Admit Hinchman, Jr.

Ralph Pratt Hinchman, Jr., will be admitted to partnership in Fellowes Davis & Co., 52 Broadway, New York City, members of the New York Stock and Curb Exchange, as of September 30th. Mr. Hinchman has been associated with the firm for some time as manager of the investment department.

## R. Swinnerton Will Admit H. Stochholm

Henry C. Stochholm will become a partner in R. Swinnerton & Co., 36 Wall Street, New York City, members of the New York Stock Exchange on October 1st. Mr. Stochholm was formerly associated with H. Allen Wardle as investment counsel.

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## Hano To Admit Small, Gerstley & Hamburger

PHILADELPHIA, PA.—Hano & Co., 1505 Walnut Street, members of the New York Stock Exchange, as of October 1st will admit John Small to general partnership in their firm, and Henry E. Gerstley and Nathan Hamburger to limited partnership.

Mr. Small has for many years been manager of the municipal and government departments of the New York office of Jackson & Curtis.

COMMERCIAL and
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## Sully Pecot To Be Orvis Bros. Partner

Sully C. Pecot will become a partner in Orvis Brothers & Co., 14 Wall Street, New York City, members of the New York Stock Exchange as of October 1st. Mr. Pecot was formerly for many years a partner in Fenner & Beane.

## Harris E. Willingham In FCA Appointment

ST. PETERSBURG, Fla.—Harris E. Willingham, formerly a municipal bond dealer here and principal in the firm of Roberts-Willingham & Co., has been appointed a director of the Mortgage Corporation Service Section of the Farm Credit Administration. Mr. Willingham will act as executive vice-president and member of the executive committee of the Corporation, directing the administration of the policies adopted by the board of the Corporation, which now has mortgage loans to farmers totaling $621,000,000 outstanding.

## Harris, Upham Absorb Butler, Wick In N. Y.

Harris, Upham & Co., 14 Wall Street, New York City, members of the New York Stock Exchange and other leading exchanges announced that they have completed arrangements to take over the New York accounts and certain members of the staff of the New York office of Butler, Wick & Co. as of October 1. These will be combined with the Rockefeller Center office of Harris, Upham & Co. in the International Building.

Butler, Wick & Co., who are members of the New York Stock Exchange, the New York Curb Exchange and the Cleveland Stock Exchange, will continue their other offices in Youngstown and Warren, Ohio, and Sharon and Franklin, Pa.

## Tomorrow's Markets Walter Whyte Says——

**Market acts as if it had taken shooting war fully into account; little indications of near-by break-out; but it is the individual issue that counts; details below**

By WALTER WHYTE

LITTLE has happened since the last column was written to indicate the direction of any nearby break-out. As last week's article came off the typewriter, the market began making small unpleasant noises as if it had eaten well if not wisely. Sometimes such sounds indicate a digestive distress that may bring about a condition akin to acute indigestion. But as the fates—or whatever else you want to call it—had it the market either made louder noises of distress than it's condition warranted or somebody came along and gave it a shot of bicarb. In any case the groans and grunts disappeared.

* * *

From a news angle the most important development of last week was the President's radio speech. Of course everybody knows that our present stand makes a shooting war that much closer. As a matter of fact an incident may have already broken out between the time this is written and the time you read it. Still the market seems to have taken the possibility — or rather the actuality—of an open break with Hitler into account. At any rate it acts that way.

* * *

Of course I'm not naive enough to think that all news, good or bad, has been discounted. For no matter what else one may say of the market, the ability to discount wars with it's changes in the economic and social structure, is something it has yet to prove.

* * *

There's a great deal of talk

(Continued on Page 206)

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## New York Group of Investment Bankers Ass'n Nominates Marks, Stanton & Streat for 1941-2

Laurence M. Marks, of Laurence M. Marks & Co., has been nominated for the chairmanship of the New York Group of the Investment Bankers Association of America for the year 1941-42, it was announced by Frank E. Gernon, of Hayden, Stone & Co., present chairman of the New York Group.

Others placed on the regular slate of officers that will be voted on at the annual meeting called for September 30 are: Frank M. Stanton, Vice President of The First Boston Corporation, Vice Chairman; and Hearn W. Streat, Secretary-Treasurer.

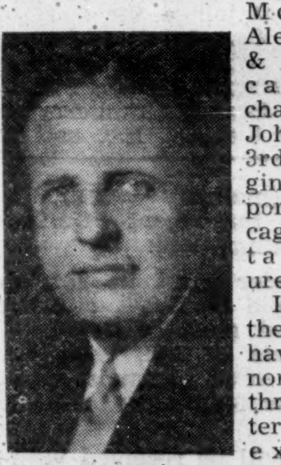
In addition, the following have been nominated for three-year terms on the executive committee: A. Glen Acheson, F. S. Moseley & Co., and Frank A. Willard, of Reynolds & Co.; for the two-year term: Henry Herrman of Henry Herrman & Co.

Henry H. Egly, of Dillon, Read & Co., and John J. McKeon of Charles W. Scranton & Co., New Haven, Conn., Governors of the I.B.A., will serve as members of the executive committee, ex-officio.

These nominations were made by a committee consisting of Lee M. Limbert, Vice President of Blyth & Co., Inc., Chairman; J. Taylor Foster, of Spencer Trask & Co., and Richard de La Chapelle, of Shields & Co.

## John S. Loomis Nominated For Chairmanship Of Central States Group Of IBA For 1941-2

John S. Loomis, president of The Illinois Company of Chicago, has been nominated for the chairmanship of the Central States Group of the Investment Bankers Association of America for the year 1941-42, it was announced by Nathan D. McClure of Harriman Ripley & Co., Incorporated, Chicago, chairman of the Group at present.


John S. Loomis

Others placed on the regular slate of officers that will be voted on at the annual meeting called for September 22 are: D. Dean McCormick, Alex. Brown & Sons, Chicago, vice chairman, and John E. Blunt 3rd, Lee Higginson Corporation, Chicago, secretary-treasurer.

In addition, the following have been nominated for three-year terms on the executive committee: Carl J. Easterberg, Riter & Co., Chicago; Ludlow F. North, The Wisconsin Company, Milwaukee; Plummer . . Putnam, Burns, Potter & Company, Omaha; and Hempstead Washburne, Chicago representative of the Mercantile-Commerce Bank and Trust Company of St. Louis.

These nominations were made by a committee consisting of T. Weller Kimball of Glore, Forgan & Co., chairman; Jay N. Whipple of Bacon, Whipple & Co., and P. A. Walters of Stone & Webster and Blodget, Inc.

## Write For Rail Bond Letter

The current Railroad Bond Letter issued by Leroy A. Strasburger & Co., 1 Wall Street, New York City, contains a discussion of a number of attractive situations in the middle-priced group of rail issues in receivership. Copies of the Letter which should be of interest to dealers may be had upon request from Leroy A. Strasburger & Co.

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## DIVIDEND NOTICES

DIVIDEND NOTICE OF THE
ARUNDEL CORPORATION
Baltimore, Md.

September 17, 1941.

The Board of Directors of The Arundel Corporation has this day declared 25 cents per share as the regular quarterly dividend on the no par value stock of the Corporation issued and outstanding payable on and after October 1, 1941, to the stockholders of record on the Corporation's books at the close of business September 22, 1941.

JOSEPH N. SEIFERT, Secretary.

### KAUFMANN DEPARTMENT STORES, Inc.

**Common Dividend No. 86**

Pittsburgh, Pa., September 10, 1941.

The Directors have declared a dividend of twenty cents (20c) per share on the Common Stock, payable October 28, 1941, to all holders of record October 10, 1941.

Checks will be mailed.

E. R. CLARKSON, Treasurer.

### THE GARLOCK PACKING COMPANY

*September 16, 1941*

COMMON DIVIDEND No. 261

At a regular meeting of the Board of Directors, held in Palmyra, N. Y., this day, a dividend of 75¢ per share was declared on the common stock of the Company, payable September 30, 1941, to stockholders of record at the close of business September 20, 1941.

R. M. WAPLES, *Secretary*

**THE NEW YORK TRUST COMPANY**
100 Broadway

The Board of Trustees has this day declared a quarterly dividend of 5% ($1.25 per share) on the Capital Stock of the Company, payable October 1, 1941, to stockholders of record at the close of business on September 20, 1941. The transfer books will not close.

MANICE deF. LOCKWOOD, JR.
New York, September 16, 1941 Secretary

**UNDERWOOD ELLIOTT FISHER COMPANY**

The Board of Directors at a meeting held September 11, 1941, declared a dividend for the third quarter of the year 1941 of $1.00 a share on the Common Stock of Underwood Elliott Fisher Company, payable September 30, 1941, to stockholders of record at the close of business September 20, 1941.

Transfer books will not be closed.

C. S. DUNCAN, Treasurer

## E. L. G. Grabenstatter Joins Trubee, Collins

(Special to The Financial Chronicle)

BUFFALO, N. Y.—Eugene L. G. Grabenstatter, well known in Buffalo trading circles, has become associated with Trubee, Collins & Co., M. & T. Building, members of the New York Stock Exchange, as manager of the trading department. He was for many years connected with O'Brian, Mitchell & Co. as manager of the trading department and special partner.

Mr. Grabenstatter specializes in trading securities originating in western New York and will continue his activities along the same lines in his new connection.

## NOTICES

**The Winters National Bank** located at Winters, in the State of California, is closing its affairs. All note holders and other creditors of the association are therefore hereby notified to present the notes and other claims for payment.

W. W. STARK, *Cashier.*
Dated July 8, 1941

**The Bank of Suisun,** National Association located at Suisun, in the State of California, is closing its affairs. All note holders and other creditors of the association are therefore hereby notified to present the notes and other claims for payment.

F. S. JONES, *President*
Dated July 9, 1941

$87,000
Cheektowaga, N.Y.
*(Town)*
2.10% Bonds
Due July 1, 1944-50
To yield 0.90% - 1.80%

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## Recent Treasury Bill Offers & Results

Secretary Morgenthau announced on Sept. 8 that the tenders to the offering of $100,000,000, or thereabout, of 91-day Treasury bills dated Sept. 10 totaled $439,541,000, of which $100,957,000 was accepted at an average rate of 0.071%.

The following regarding the accepted bids for the offering is from Mr. Morgenthau's announcement of Sept. 8:

Total applied for $439,541,000.

Total accepted $100,957,000.

Range of accepted bids (excepting one tender of $26,000):

High, 9,990, equivalent rate approximately 0.040%.

Low, 99.981, equivalent rate approximately 0.075%.

Average price, 99.982, equivalent rate approximately 0.071%.

(31% of the amount bid for at the low price was accepted.)

Tenders to a new offering invited by Secretary Morgenthau on Sept. 5, were received at the Federal Reserve banks and the branches thereof up to 2 p.m. (EST) Sept. 8. The bills, which were sold on a discount basis under competitive bidding, will mature on Dec. 10, 1941, and on the maturity date the face amount of the bills will be payable without interest. There was a maturity of a previous issue of Treasury bills on Sept. 10 in amount of $200,298,000.

Secretary Morgenthau announced on Sept. 15 that the tenders for $100,000,000, or thereabouts, of 91-day Treasury bills, to be dated Sept. 17, and to mature Dec. 17, 1941, which were offered on Sept. 12, were opened at the Federal Reseve Banks on Sept. 15.

The details of this issue are as follows:

Total applied for—$493,411,000.
Total accepted—$100,043,000.
Range of accepted bids: (Except two tenders totaling $260,000)
High—100.
Low—99.985 Equivalent rate approximately 0.059%.
Average Price—99.987 Equivalent rate approximately 0.050%.

(2% of the amount bid for at the low price was accepted)

There was a maturity of a previous issue of Treasury bills on Sept. 17 in amount of $200,608,000.

The new bills will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000, and $1,000,000 (maturity value). In announcing the recent offerings Mr. Morgenthau said:

Each tender must be for an even multiple of $1,000, and the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used.

Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 10% of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

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**COMMODITIES**

The interpretations of our Commodity Department are available to investors and traders to discover opportunities and protect positions in current changing world market conditions.

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## PERSONNEL ITEMS

*If you contemplate making additions to your personnel, please send in particulars to the Editor of the Financial Chronicle for publication in this column.*

NEW YORK, N. Y.—Harry A. Carter, William J. Kurtz, Joseph L. Ball, and Arthur H. O'Connor have joined the Retail Sales Department of Amott, Baker & Co., Inc., 150 Broadway.

(Special to The Financial Chronicle)

ATLANTA, GA. — **Howard S. McNair** has become associated with **Courts & Co.,** 11 Marietta St., N. W.

(Special to The Financial Chronicle)

CHICAGO, ILL. — **Shillinglaw, Crowder & Co., Inc.,** 120 South La Salle Street, have added **Clinton E. Gibson** to their organization.

(Special to The Financial Chronicle)

CHICAGO, ILL. — **William Alexander Allen,** formerly with Otis & Co., Dempsey-Detmer & Co., and R. H. Smart & Co., is now associated with **Brailsford, Rodger & Co.,** 208 South La Salle Street.

(Special to The Financial Chronicle)

CHICAGO, ILL. — **C. Pappagianis,** formerly with Goodbody & Co. and Sincere & Co., has become associated with **David A. Noyes & Co.,** 208 South La Salle Street.

(Special to The Financial Chronicle)

COLUMBUS, OHIO — **John R. Williams** has joined the staff of **Vercoe & Co.,** 17 South High Street. Mr. Williams was formerly with Merrill Lynch, Pierce, Fenner & Beane, Granberry & Co., Lowry Sweney, Inc. and in the past was an officer of Williams-Hatch & Co., Inc.

(Special to The Financial Chronicle)

LOS ANGELES, CAL. — **Bruce T. Work and Ruth Neal** have become associated with **Merrill Lynch, Pierce, Fenner & Beane,** 523 West Sixth Street. Mr. Work was previously with White, Wyeth & Co. and in the past was Pasadena manager for the Morrison Bond Co., Ltd.

(Special to The Financial Chronicle)

MILWAUKEE, WIS. — **John R. Brauer** has become connected with **Carter H. Harrison & Co.,** Schroeder Hotel. Mr. Brauer was in the past with Grieb & Erickson, Inc.

(Special to The Financial Chronicle)

ST. PETERSBURG, FLA. — **Robert Lawrence Piper,** formerly with Roberts & Co., Inc., is now connected with **Guaranty Underwriters, Inc.,** Florida National Bank Building.

(Special to The Financial Chronicle)

SAN DIEGO, CAL. — **Margaret Cato Dawkins** is now affiliated with **Blyth & Co., Inc.,** 625 Broadway. Mrs. Dawkins was previously with Bankamerica Company.

(Special to The Financial Chronicle)

ST. LOUIS, MO. — **William Clark Bell,** for many years with Taussig, Day & Co., Inc., has become affiliated with **Ryan, Nichols & Co.,** 314 North Broadway.

## F. S. Yantis Elects J. Stewart Vice-Pres.

CHICAGO, ILL.—F. S. Yantis & Co., 120 South La Salle Street, announces that Joseph O. Stewart, who has been associated with them for three years as Sales Manager, has been elected a Vice-President of their firm. Mr. Stewart has been on La Salle Street for more than eighteen years and was previously Sales Manager of Thompson Ross & Co., Vice-President of Evans, Searles & Co. and Sales Manager of John J. Seerley & Co. He has many friends in the investment banking field throughout the Middlewest. Mr. Stewart will continue servicing the investment accounts of corporations, banks and insurance companies.

**FOR ATTENTION OF PARTNER**
*Trading Department Manager and Assistant Available*

We desire to make a connection with a firm which will encourage the free exchange of profitable trading ideas in conjunction with sales department activities covering nation-wide distribution plans through dealers and retail outlets.

We are presently connected and have been successfully engaged in all phases of the over-the-counter and listed trading business for the past 20 years.

We are interested in a salary and commission proposition. Box C1, Commercial & Financial Chronicle, 25 Spruce St., New York, N. Y.

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## NY Finan. Advertisers Announce Meeting

The next luncheon meeting of the New York Financial Advertisers will be held Thursday, September 26th at the Lawyers' Club, 115 Broadway, New York; Dudley Parsons, advertising manager of the New York Trust Company and also President of the Advertisers group, will preside.

Richard Manville, advertising analyst of Newell Emmett Co., Inc. will be the guest speaker. His topic will be "What Types of Advertising Pull Big Returns." He will illustrate his talk with slides.

The arrangements committee consists of William G. Wilson, American Bankers Association, and Merrill Anderson, Merrill Anderson Co.

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## N. Y. Stock Exchange Weekly Firm Changes

The New York Stock Exchange announces the following weekly firm changes:

The transfer of the Exchange membership of Harry Content, deceased, to Leo Lowenstein will be considered on September 25th. Mr. Lowenstein will act as an individual floor broker it is understood.

Transfer of the membership of Richard B. Neiley to George N. Proctor will be considered on September 25th. Both are partners in Proctor, Cook & Co., New York City.

Membership of Sheldon T. Coleman was transferred on September 15th to Thomas Jordan, 615 Commercial Place, New Orleans, La.

Louis Schapiro retired from partnership in J. S. Bache & Co., New York City, as of September 11th.

Paul Linz withdrew from partnership in Carl M. Loeb, Rhoades & Co., New York City, as of August 31, 1941.

Edward L. Hicks, Jr., partner in Hicks & Price, Chicago, Ill., died on September 10th.

**Guaranteed Railroad Stocks**

**Joseph Walker & Sons**
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## "Golfy" Main Event At Nashville Outing

NASHVILLE, TENN. — The Nashville Bond Club entertained fifty bond and security men at its annual outing at the Woodmont Country Club, some of the guests coming from as far away as Boston and New Orleans.

"Golfy", a blind bogy tournament, was the main event. Winners were Walter Lang, Brown Harriman & Co., Chicago; Ridley Alexander, Jackson, Tenn.; Groom Leftwich, Leftwich & Ross, Memphis, Tenn.; E. M. Bancroft, Stranahan, Harris & Co., Toledo, Ohio; Rod Gilliland, Hermitage Securities Co., and Bill Anderson, Nashville, with scores of 77. The six winners divided a forty dollar prize among them.

Low net score for the day was made by "Pete" Raney, T. J. Raney & Sons, Little Rock, Ark.; a drive of 273 yards won the driving contest for Richard V. Cook of Nashville.

Williard Hendricks, president of the Club, was master of ceremonies at the banquet following the outing.

## Issue Oversubscribed

R. S. Dickson & Co., Inc. Wilder Building, Charlotte, N. C. announce that their offering of Morganton Furniture Company has been oversubscribed.

## Write For Associated Gas & Electric Analysis

A detailed anaylsis of Associated Gas and Electric Corporation issues, which should be of interest to dealers, may be secured upon request from Wertheim & Co., 120 Broadway, New York City, members of the New York Stock Exchange.

## Aircraft Attractive

An interesting memorandum on the current situation in the Common Stock of Interstate Aircraft & Engineering Corporation has been prepared for distribution by Fuller, Cruttenden & Company, 120 South La Salle Street, Chicago, Ill., members of the Chicago Stock Exchange. Copies of the memorandum may be had from the firm upon request.

## Defaulted RR Bond Index

The defaulted railroad bond index of Pflugfelder, Bampton & Rust, 61 Broadway New York City, shows the following range for January 1, 1939 to date: High —34⅝, low—14¾, last 32.

TRADING MARKETS IN
**Unlisted Railroad Securities**
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**PFLUGFELDER, BAMPTON & RUST**
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RAILROAD REORGANIZATION SECURITIES

## RAILROAD SECURITIES

Enthusiastic attention has lately been directed at Seaboard Air Line whose stay under the jurisdiction of the courts has been the longest (since 1930) of any of the major carriers undergoing reorganization. It is not that there is any visible indication of early discharge from receivership, nor is it attributable wholly to prospects that gross and net operating income will top the levels of all previous years with the exception of 1925 and 1926 in the days of the Florida boom. What has captured the attention of long term buyers has been the trend, rather than merely the physical level, of operations. The very decided ironing out of the usual seasonal curve of revenues marks a fundamental change for the better in the company's status, indicating less dependence on the vagaries of the tourist and resort business, and greater reliance on over-all economic and industrial considerations.

Normally, Seaboard's operations are at a high level in the first quarter of the year, reaching a peak in March, when both passenger and freight movement are at their high, and declining consistently to July and August. A slow seasonal upturn gets under way in September. On the average over the ten years through 1940, gross revenues dropped more than 32% from the March high to the July low and remained virtually unchanged through August. In 1941, the March-July decline was held to approximately 13%; July gross was higher than in either February or April, an unprecedented performance. Furthermore, traffic statistics indicate an unseasonal month-to-month rise in August revenues, with receipts for the month at the highest level for any single month of the past decade with the exception of March, 1941.

To a minor degree the change from usual violent seasonal swings may be traced to the capture by Florida of some all-year resort business. Far more important, however, and certainly more encouraging from the point of view of Seaboard's security holders, are the effects of industrialization of the service area. This trend, under way for some years, has received considerable added stimulus from the war and armament development. There are no indications, however, that it may collapse with the end of the armament boom.

**Traffic arising from establishment of army camps will naturally be lost as will direct munitions work. Other industrial plants such as steel mills, etc. will hardly be abandoned considering the favorably operating conditions, while the paper industry, benefiting from stoppage of imports from the Scandanavian countries, has prospects for even greater growth. Plastics and synthetic materials are also expected to add permanently to the economy of the South, and contribute importantly to the future stability of the territory. Research activity has been stimulated by necessities arising from the world conflicts, with the promise of the establishment of new peace industries in future years.**

With seasonal factors on the wane, and indications that the road's traffic and earnings are being established on a basically higher plateau, it is anticipated that a sounder and more satisfactory reorganization may eventually be worked out for Seaboard. Based on present reorganization theories it is not likely that a heavy fixed capitalization will be provided unless the whole matter is allowed to lapse for a period or until the new earnings base can be tested in the probable post-war deflation, Nevertheless, even if the new fixed debt is held to low levels, present security holders will get their reward through allocation of new Income bonds and equities of sounder "normal year" earning power. At the same time it is possible that, as reorganization is delayed, cash accumulating from these high earnings may permit retirement of some of the senior debt, leaving a larger equity for the popular speculative junior liens. It is believed that conflicting interests are not yet fully in accord on the acceptance of an earnings segregation formula and no definite reorganization progress seems likely until early 1942 at best.

**Railroad Reorganization Securities**
*(When Issued)*

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We maintain net trading markets in many issues in the receivership group. Our current
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## Clair S. Hall, Jr. Is Forming Dealer Firm

(Special to The Financial Chronicle)

CINCINNATI, OHIO—Clair S. Hall, Jr. is forming Clair S. Hall and Company with offices in the Union Trust Building to engage in a general securities business. Associated with Mr. Hall as a partner will be Mrs. E. N. Hall.

Mr. Hall was formerly manager of the bond department of the Cincinnati office of Dominick & Dominick and prior thereto for a number of years was with Nelson, Browning & Co.

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# Bank and Insurance Stocks

## This Week — Insurance Stocks

The semi-annual review of a group of 175 stock fire and casualty companies as published by Alfred M. Best & Company shows some very definite signs of the extent to which these companies are participating in the current industrial expansion. Both the substantial expansion in net premiums written and the favorable underwriting experience for the first six months of this year have combined to produce highly favorable operations in this period.

In the case of 85 stock fire companies a gain of about 20% in premium volume over the first half of 1940 was recorded. Moreover, in passing a total of over $1 billion these premiums have exceeded the total of stock casualty premiums and have likewise passed the previous peak in fire premiums attained in the record year of 1929.

This rise in volume has enabled the companies to show an improvement in their expense ratio which for several years has been high in view of the restricted volume of business. This is reflected in the drop in the expense ratio from 48.4% in 1938 to 42.3% in the first half of 1941.

**In spite of the relatively poor investment conditions which have prevailed in the first half of this year investment results were better than in the same period of 1940 and investment income increased notwithstanding the prevailing low level of interest rates in the period.**

The stock casualty companies showed an increase of over 10% in net premium volume in the first half of this year compared with the same period in 1940. This carried net premiums above the previous record total attained in the year 1929. The expansion in premium volume has been realized in the face of steadily declining rates on all classes of business as for example, workmen's compensation which has been swelled by the growing industrial payrolls in direct reflection of the boom in the defense industries.

It might be expected that the speed-up in the tempo of the industrial plants and the induction of many new and inexperienced men in the factories of the nation would cause a significant rise in the accident rate. In spite of these conditions and an increase in the frequency of automobile accidents the casualty companies have been able to report profitable underwriting results. While there has been a 2 point rise in the loss ratio this has been offset by a decline of 2 points in the expense ratio so that the combined loss and expense ratio of 91% makes a good comparison with the experience of recent years.

**There is every reason to believe that the trend of operations in the industry for the first six months of this year will be extended through the final half of the year and for that matter well into the future beyond that period. This background of expanding and profitable operations is a sound foundation for the investment position of insurance stocks. When it is considered along with the attractive yields afforded by many issues and the long established and indispensable economic position of the industry the comparative advantage of this type of security to investors seems evident. The outlook for many industries at this time is far less certain for the future than that of the insurance business.**

*MARKETS IN*
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Teletype PH 257

# COMING EVENTS

**Sept. 18-19, 1941 (Chicago, Ill.)**
Municipal Bond Club of Chicago Fall Party & Field Day at Bob O'Link Country Club.

**Sept. 23-24-25, 1941 (New Orleans, La.)**
National Security Traders Association Convention at the Roosevelt Hotel.

**Sept. 26, 1941 (New Jersey)**
Bond Club of New Jersey Fall Field Day at Essex County Country Club.

**Sept. 26, 1941 (New York, N. Y.)**
Charles Hayden Memorial Trophy Tournament at Oakland Golf Culb, Bayside, L. I.

**Sept. 29-Oct. 2 (Chicago)**
American Bankers Association Convention (Stevens Hotel Headquarters).

**October 7-8-9 (Biloxi, Miss.)**
Twenty-fourth Annual Convention of National Association of Securities Commissioners at Hotel Buena Vista.

**Nov. 30-Dec. 5, 1941 (Hollywood, Fla.)**
Annual IBA Convention at Hollywood Beach Hotel.

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(L. A. Gibbs, Manager Trading Department)

## Pittsburgh Bond Club Outing For October 3

PITTSBURGH, PA.—The Bond Club of Pittsburgh announces that the annual Fall Outing will be held on October 3rd at the Butler Country Club (near Route Eight, south of Butler).

Francis J. McGuiness, Chaplin & Co., President of the Club; and L. Wainwright Voght, Hemphill, Noyes & Co., Secretary, state that the arrangements for the outing will make the day a most enjoyable one.

# The Securities Salesman's Corner

*It is our desire to develop this column into a clearing house for ideas. If we could pass along some things that the other fellow is doing which is helping to meet present-day conditions it no doubt would be of some interest to all concerned. In this connection, we would sincerely appreciate your comments or criticisms and any suggestions you might wish to send along.*

## A Sales Campaign Built Around The Trend of The Times

Three basic merchandising axioms are the nucleus of this campaign. (1) The subject is of timely interest to a growing number of people. (2) The approach is dramatic, attention arresting and presented in an understandable manner. (3) There is an offer to help the prospective customer—solve a problem in which he is at least more than casually concerned about.

Step No. 1 Procure a list of prospects such as:

Business executives
Professional men and women
Bank and Insurance Co. Directors
Good Stockholder's lists
Customer and prospects lists now in your files.

Step No. 2

Prepare a mailing as follows: Select current newspaper headlines such as these: "Survey Shows Food Costs up 10 P. C. in Year" — "Fear's Price Inflation" — "Bread Price May Be Forced Up" — "French Inflationary Forces Cited" — "Buying Wave Hits City Department Stores On Fears Of Inflation" — "Oil Prices Rise" etc., etc. (These are just a few from one weeks' editions—they are not difficult to find).

**Paste these clippings on a large sheet of plain white paper about 18 inches by 24 inches or larger. Scatter them around so the arrangement will be symmetrical yet readable and attention procuring.**

**Place a letter in the center of the page with the clippings scattered around it. If there is an amateur draughtsman in the organization, it would help to emphasize the letter if a border in black india ink could be ruled around its edges.**

Something along the ideas presented in the following should be written on the firm's letterhead. This, of course, can be suited to your own ideas of what you believe a good sales letter should be.

BLANK & COMPANY
Investment Securities
Any Town U.S.A.

Is Inflation Coming? That is a question we have all heard for quite a while.

There is an old saying "Where there is smoke, there must be fire". Scattered on this page are just a few news items from the pages of our daily papers of the past few days.

"To be forewarned is to be forearmed."

If you are concerned about the problem of protecting YOUR assets and YOUR property against possible depreciation, we believe you will find it of interest to mail the attached card today. Without cost or obligation, we will be pleased to furnish you with a free copy of our latest inflation study and also include five specific recommendations of certain inflation protecting investments that appear especially advisable at this time.

Yours very truly,
BLANK & COMPANY

Step No. 4

A return card should be printed and attached to the inside of this mailing. One side should read—without cost or obligation, please furnish me with the information contained in your recent letter on Inflation. The other side of the card should be self addressed and a permit from your Post Office procured for return postage paid by sender. Your printer will know.

The mailing should be photo-offset. This convenient form of reproduction will reprint the entire message at a nominal cost. If folded into a convenient mailing size (for instance the 18 inch by 24 inch size can be made into a 6 inch by 12 inch) with reading matter and card (pasted to the inside) all enclosed within. Then the plain outside can be used for address and will also permit the use of a cent and a half pre-cancelled stamp. This is optional of course. Many dealers have found that an enclosure in an envelope using first class postage pays for itself in additional returns.

Step No. 5

Notice the offer states "Will you furnish me with report" etc. That's where the salesmen come in. The door is opened. From here on it's up to you.

There are any number of special situations that you can suggest. Every firm has its own ideas. We also believe most everyone can do a little talking about inflation. Some of the Dealers whom we've talked to in the last few weeks should not have any trouble producing a masterpiece on the subject.

## Refused Priority Rating

The Supply Priorities and Allocations Board on Sept. 9 refused to grant priority ratings for steel plates required for the construction of a 1,500 mile petroleum pipeline from the East Texas oil fields to the Atlantic Coast. The Board's action, it was explained, was taken in view of the more urgent need for the steel plates in the naval and merchant shipbuilding program. However, it is indicated the SPAB's decision did not formally turn down the pipeline itself since it is possible a plan to build the pipeline with seamless steel tubes might be approved.

Defense Petroleum Coordinator Harold Ickes proposed the construction of the pipeline on July 22 to relieve the shortage in oil transportation facilities to the East Coast. The estimated cost of its construction was around $80,000,000 with eleven oil companies participating. It was planned for a daily capacity of 250,000 barrels of crude oil. Plans for the project were discussed in our issue of July 26, page 477.

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Established 1817
*Head Office* *Montreal*
*Capital* $36,000,000
*Rest* $39,000,000
*Total Assets in Excess of* $1,050,000,000
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VICE-PRESIDENTS
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## Future of Group Banking

Heartt and Weissman, 61 Broadway, New York City, investment advisers, have published a study of "The Evolution and Future of Group Banking." The study points out that group banking is peculiarly an American development and that banks which are members of group bank systems have aggregate deposits estimated to be substantially in excess of $7,000,000,000.

Comparative financial statistics regarding book value, earnings, etc. and important financial ratios are presented for the Marine Midland Corporation, Transamerica Corporation, Northwest Bankcorporation, Wisconsin Bankshares Corporation, and other important group bank systems. The fact that a number of stocks of leading group banks are now selling at 50 per cent or less of book value despite improvement in earnings is emphasized. The study was prepared by Rudolph L. Weissman, author of "The New Federal Reserve System," and "The New Wall Street."

Copies may be obtained from Heartt and Weissman, price $1.00 per copy.

## Becomes Moore Co. Partner

JERSEY CITY, N. J.—Anna F. Ross, for many years associated with Moore & Company, 113 Hudson Street, as cashier, has been admitted to partnership in the firm.

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*Commercial Register No. 1 Cairo*

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RESERVE FUND £3,000,000

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The Bank conducts every description of banking and exchange business

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General Manager
William Whyte

Total number of offices, 258

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Reserve fund £4,125,965
Deposits £69,921,933

Associateed Bank
Williams Deacon's Bank, Ltd.

Australia and New Zealand

BANK OF NEW SOUTH WALES
(ESTABLISHED 1817)

Paid-Up Capital £8,780,000
Reserve Fund 6,150,000
Reserve Liability of Prop. 8,780,000
£23,710,000

Aggregate Assets 30th Sept., 1940 £143,903,000

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Head Office: George Street, SYDNEY

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## ADECO Looks Good

Aircraft & Diesel Equipment Corporation offers an attractive speculation according to a memorandum issued by Hare's Ltd., 19 Rector Street, New York City. Although the ADECO'S Balance Sheet appears weak, the memorandum states that the company's financial position may be improved by moderate financing which will not adversely affect the earnings of the common stock and with the proposed financing completed, the ADECO stock will become less speculative and as a result should command a higher price than at present in its highly speculative state. Copies of the memorandum may be obtained from Hare's Ltd. on request.

## Trading On New York Exchanges

The Securities and Exchange Commission made public on Sept. 8 figures showing the daily volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Sept. 8, 1941, continuing a series of current figures being published by the Commission. Short sales are shown separately from other sales in these figures, the Commission explained.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended Aug. 23 (in round-lot transactions) totaled 366,680 shares, which amount was 16.64% of total transactions on the Exchange of 2,294,050 shares. This compares with member trading during the previous week ended Aug. 16 of 375,760 shares or 16.29% of total trading of 2,320,470 shares. On the New York Curb Exchange, member trading during the week ended Aug. 23 amounted to 69,230 shares, or 15.30% of the total volume on that Exchange of 425,485 shares; during the preceding week trading for the account of Curb members of 67,120 shares was 14.86% of total trading of 385,350 shares.

The Commission made available the following data for the week ended Aug 23:

The data published are based upon weekly reports filed with the New York Stock Exchange and the New York Curb Exchange by their respective members. These reports are classified as follows:

| | New York Stock Exchange | New York Curb Exchange |
|---|---|---|
| Total Number of Reports Received | 1,061 | 774 |
| 1. Reports showing transactions as specialists | 179 | 95 |
| 2. Reports showing other transactions initiated on the floor | 170 | 32 |
| 3. Reports showing other transactions initiated off the floor | 151 | 64 |
| 4. Reports showing no transactions | 655 | 590 |

Note—On the New York Curb Exchange, odd-lot transactions are handled solely by specialists in the stocks in which they are registered and the round-lot transactions of specialists resulting from such odd-lot transactions are not segregated from the specialists' other round-lot trades. On the New York Stock Exchange, on the other hand, all but a fraction of the odd-lot transactions are affected by dealers engaged solely in the odd-lot business. As a result, the round-lot transactions of specialists in stocks in which they are registered are not directly comparable on the two exchanges.

The number of reports in the various classifications may total more than the number of reports received because a single report may carry entries in more than one classification.

**Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)**

**Week Ended August 23, 1941**

| | | Total for Week | Per Cent a |
|---|---|---|---|
| A. Total Round-Lot Sales | Short sales | 63,650 | |
| | Other sales b | 2,230,400 | |
| | Total sales | 2,294,050 | |
| B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists | | | |
| 1. Transactions of specialists in stocks in which they are registered | Total purchases | 195,300 | |
| | Short sales | 25,630 | |
| | Other sales b | 157,910 | 8.26 |
| | Total sales | 183,540 | |
| 2. Other transactions initiated on the floor | Total purchases | 122,570 | |
| | Short sales | 11,200 | |
| | Other sales b | 95,830 | 5.00 |
| | Total sales | 107,030 | |
| 3. Other transactions initiated off the floor | Total purchases | 79,190 | |
| | Short sales | 16,750 | |
| | Other sales b | 59,360 | 3.38 |
| | Total sales | 76,110 | |
| 4. Total | Total purchases | 397,050 | |
| | Short sales | 53,580 | |
| | Other sales b | 313,100 | 16.64 |
| | Total sales | 366,680 | |

**Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)**

**Week Ended August 23, 1941**

| | | Total for Week | Per Cent a |
|---|---|---|---|
| A. Total Round-Lot Sales | Short sales | 5,440 | |
| | Other sales b | 420,045 | |
| | Total sales | 425,485 | |
| B. Round-Lot Transactions for the Account of Members | | | |
| 1. Transactions of specialists in stocks in which they are registered | Total purchases | 39,235 | |
| | Short sales | 3,745 | |
| | Other sales b | 48,155 | 10.71 |
| | Total sales | 51,900 | |
| 2. Other transactions initiated on the floor | Total purchases | 9,325 | |
| | Short sales | 600 | |
| | Other sales b | 5,905 | 1.86 |
| | Total sales | 6,505 | |
| 3. Other transactions initiated off the floor | Total purchases | 12,395 | |
| | Short sales | 550 | |
| | Other sales b | 10,275 | 2.73 |
| | Total sales | 10,825 | |
| 4. Total | Total purchases | 60,955 | |
| | Short sales | 4,895 | |
| | Other sales b | 64,335 | 15.30 |
| | Total sales | 69,230 | |
| C. Odd-Lot Transactions for the Account of Specialists | | | |
| | Customers' short sales | 0 | |
| | Customers' other sales c | 32,440 | |
| | Total purchases | 32,440 | |
| | Total sales | 18,275 | |

---

* The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

a Shares in members' transactions as per cent of twice total round-lot volume. In calculating these percentages, the total of members' transactions is compared with twice the total round-lot volume on the Exchange for the reason that the total of members' transactions includes both purchases and sales, while the Exchange volume includes only sales.

b Round-lot short sales which are exempted from restriction by the Commission rules are included with "other sales."

c Sales marked "short exempt" are included with "other sales."

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UNION BOND FUND "B"
UNION BOND FUND "C"
UNION PREFERRED STOCK FUND
UNION COMMON STOCK FUND "A"
UNION COMMON STOCK FUND "B"
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# Investment Trusts

**Here are some timely items from Current investment company literature:**

"1929 Would Be A Depression."

"Business Levels Shatter 'New Era' Records."

"The seasonally adjusted Federal Reserve Board Index of Industrial Production for July 1941 is estimated at 162, another new all-time high. Some appreciation of the meaning of this figure may be derived from the table:

| Time | Index |
|---|---|
| Peak 1929 month | 114 |
| Low 1932 month | 53 |
| Peak 1937 month | 121 |
| Low 1938 month | 80 |
| July, 1940 | 121 |
| July, 1941 (estimated) | 162 |

"Moreover, there is no evidence that business has stopped climbing. If the defense program proceeds as scheduled, the only limit to business activity will be capacity to produce. And capacities are being expanded.

"Some forecasters anticipate that the F.R.B. Index may rise to 170 or 180 in the next 12 to 18 months. These forecasts may be optimistic, but are not inconceivable.

"Consider, for a moment, the meaning of a production level of 170. That would be 56 points or about 50% above the 1929 peak. To put it another way, if we reach 170, and the index then declined to 114, or the highest 1929 level, we would be experiencing a severe depression. That would be a decline of 56 points or 33%, compared with a 1937-38 decline of 41 points, or 34%.

"How long present volumes may last, or how much higher they may go, is something no one can predict with certainty. But there is strong evidence that they may last a considerable distance ahead.

"Back in January President Roosevelt recommended a national defense program of $10,800,000,000 for the year beginning July 1, 1941. Now it appears we shall spend over $15,000,000,000 in this period. Defense authorizations, appropriations, and recommendations now total about sixty billions. Donald Nelson, of OPM, and Leon Henderson, of OPACS, agree we must spend about $35,000,000,000 per year on arms in order to establish definite superiority over the Axis.

"Such sums are fantastically large in terms of industrial production. It is estimated that the total value of all products of all kinds made in American factories in 1939 (an excellent year) was less than $57,000,000,000. It is obvious that if sums now being mentioned by responsible people in connection with the aramament program were actually spent, business will be feverishly active for some time to come.

"These extremely high levels of business activity will do much to offset rising wage costs, rising taxes, other rising costs of doing business. So long as they last, it seems probable that many corporations will enjoy good earnings and pay satisfactory dividends." — **The Selected Investor,** Autumn, 1941

* * *

**"What Is This** Inflation?"

"There is much talk these days about 'inflation'—and an almost equal amount of confusion because the term is used loosely to describe very different types of economic developments. Let's see if we can clarify the problem from the investor's point of view.

**Type I—Scarcity of Goods**

"This type of inflation reflects an excess of demand over supply. It may develop from an increase in demand with more buyers bidding for a limited or fixed supply of goods, or it may develop from a shortage or reduction in available supply. Prices rise until the marginal bidders drop out and those who are willing to pay, or must pay, get the available supply of goods. Everyone must pay more for the things they need and must have.

"This type of inflation is already upon us and will probably continue in spite of the attempts

(*Continued on Page* 202)

FUNDAMENTAL INVESTORS, INC.

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# The Municipal Market

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Capital financing by states and cities is moving steadily toward eclipse by the defense program and its priorities and controls. Surveys undertaken in recent days have established that bond flotations which ordinarily might be expected in the Autumn will be curtailed sharply, and in some cases postponed altogether, owing to the inability of the potential borrowers to obtain materials for certain types of civic improvements. This situation, it is held, will prove temporary, but there is no question about the immediate effect.

Some of the local authorities engaged in tunnel, bridge and other construction projects, reported difficulties of one sort or another in obtaining materials. As the survey was extended to other areas, similar conditions were reported by municipal officials. That this will affect seriously the vast complex of industries and contractors engaged on public construction projects is inevitable. The position of such elements in the economic community is likely soon to resemble that of small business generally.

## Mayor La Guardia Limits New Projects

Mayor La Guardia reiterated last Saturday in his annual message to the City Planning Commission that funds for new projects in the 1942 capital budget shall not exceed $1.

The Mayor sent a similar message to the commission a year ago after Comptroller Joseph D. McGoldrick had informed the commission that the city might have to abandon all new projects in 1941 because of war and the defense program. Mr. McGoldrick repeated this warning last month when he told the commission that it would be unwise, if not unpatriotic, for the city to start during 1942 any new construction not definitely related to national defense.

The $1 limitation does not affect projects now under actual construction. These number, according to Mr. McGoldrick, more than 200, and he recommended that the 1942 capital budget should not exceed $66,000,000. The current capital budget is about $82,000,000.

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Bell Teletype—NO 180

## Mounting Federal and Local Taxes Stressed

The Tax Foundation, a non-profit organization that has offices at 30 Rockefeller Plaza and seeks to co-ordinate the work of taxpayer groups throughout the country, issued early this week an eighty-page booklet called "Tax Facts and Figures," which is intended to be an annual publication.

Emphasizing the "soaring cost" of government during the last decade of deficit spending and comparing the fiscal situation of the United States in 1941 with that of 1914, it points out that "defense costs must be piled on an already burdened economy."

**The report says Federal, State and local governments were collecting no more than $2,000,000,000 a year in taxes at the beginning of the World War in 1914, but today "the people of the United States constribute upward of $14,500,000,000 a year in taxes toward the cost of governing themselves, and even this huge sum only partly offsets the total expenditures."**

"The ratio of taxes to national income," the report continues, "has risen to 20 per cent in 1940, compared to only 6 per cent in 1913. The ratio of expenditures to national income has balloned to 27.5 per cent in 1940, where in 1913 it was but 8 per cent."

"Before the World War the Federal Government alone owed $1,000,000,000. Today it owes more than $50,000,000,000 and the debt in the near distant future is already estimated at $100,000,000,000 or $4,000 for every single family in the country."

## Basic Worth of Municipal Securities

Because it summarizes neatly thoughts that were expressed at greater length in these columns many times in the past, we feel it is fitting to quote in part as follows from the latest issue of the municipal news bulletin, made up each Monday by Miss Cook, of Hemphill, Noyes & Co., New York investment house:

"There is a common assumption, that municipal bonds sell at high prices chiefly because they are tax exempt. On the contrary, the low yield of municipals, as well as of all high grade bonds, is to be attributed primarily to the superabundance of institutional funds. There are at least four reasons why institutions, only slightly concerned with tax exemption, favor municipals in preference to other securities—(1) tax backing or ample revenue coverage, (2) good record, (3) simplicity and uniformity of type, making comparisons easy, (4) improving credit.

"In recent years municipal credit has been improved automatically by better tax collections, specifically by refunding operations made possible by easy money, and generally by the better grade of intelligence which is being applied to municipal financing.

"A cynic said today, "The old racketeer politicians squeezed the cities dry while the rest of us were busy with the stock market some years ago. When the crash came they were glad to get out, since there was nothing left to be taken." There is more to it than that.

"A generation or more ago, practical politicians discovered that it was absolutely necessary to their safety that the city water supply be operated efficiently. Now they know that finances must be also. There are too many taxpayers' committees, women's good government leagues, and individual crusaders to permit a financial officer to be comfortable if he isn't doing a job. By and large, when you employ an efficient man you have taken on a patriotic citizen who will work as ardently and as efficiently for a city as he would for a private corporation. Names like Tremaine, McGoldrick, Slutz, Davis come to mind immediately. Many others are equally deserving of mention."

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## Hearings on Insurance Investments Scheduled

The question of permitting life insurance companies to invest part of their huge incoming funds in certain types of common stock will be held in New York on Oct. 20 and 21. One day will be given over to savings bank representatives and trustees and the other will be given to insurance company representatives.

## Cash Available For N. Y. City Past Due Bonds

Forgetful holders of New York City bonds, which have matured in past years, have neglected to collect some $468,290 which is lying dormant in the city treasury, Comptroller Joseph D. McGoldrick has disclosed. In a public statement the Comptroller urged the individuals to whom the money was due to call at his office in the Municipal Building and collect their cash. Pointing to the fact that funds were bearing no interest, he suggested that the bondholders could put their funds to better use by purchasing Defense Bonds.

In financial parlance this money represents "past due" securities which have either matured or have been called for redemption in accordance with the conditions upon which they were issued. Some of the obligations were payable as long ago as January of 1935, according to Mr. McGoldrick. Of the total outstanding in September 1, $270,790 is in corporate stock, $46,500 is in special corporate stock notes and $151,000 is in serial bonds. All but about $75,000 of the total were regular maturities. The $75,000 represented corporate stock payable in 1960 but called in October of 1935, the Comptroller observed.

About $150,000 of the bonds were in coupon form, the rest being in registered condition, he stated. So far as the registered bonds were concerned, all mail sent to individuals at listed addresses had been returned by the Post Office Department. Other efforts to locate the owners of the bonds had failed, Mr. McGoldrick declared.

**"This office has done what it could to locate the owners of these past due bonds." Comptroller McGoldrick declared, "but they are not to be found. Probably the majority of the securities are lying forgotten in vaults or safe deposit boxes. Holders of city obligations would do well to make sure that some of those which have already matured are not among their holdings. Since interest ceases at the maturity date, such holders would do well to call at the Municipal Building, exchange their matured bonds for cash and make a new investment in the Defense Bonds issued by the Federal Government."**

## Tax Ruling Given on Arkansas Bonds

Bonds of the State of Arkansas and its political subdivisions held by Arkansas residents are subject to ad valorem assessment for general property taxes, it is held in an opinion prepared by Attorney-General Jack Holt for the Tax Division of the State Corporation Commission.

W. A. McDonnell, executive vice-president of the Commercial National Bank, said the opinion stated no new policy so far as banks are concerned. Such institutions already assess municipal bonds.

**Some brokers, however, expressed the belief that such taxation would reduce the yield and force up rates on future issues. Action of this kind would put the State in competition with corporations and eliminate concessions now granted on municipal bonds.**

## Cuyahoga County Financial Data Complied

The 1941 edition of "Comparative Statistics of Subdivisions in Cuyahoga County, Ohio," is now being distributed by Siler, Roose & Co., Second National Bank Building Toledo, Ohio.

The study, dated Aug. 1 1941, is a concise and comparative statement of debt conditions and related data of municipalities and school districts in the county and statistics of certain subdivisions in nearby counties.

In a foreword to the booklet, the investment house states:

**"Because of improved conditions; with completion of refunding plans and programs; with reduction and elimination of defaults; and with increased building activity, the debt situation of Cuyahoga County and its subdivisions has improved materially. The total value of building permits in the County for 1940 exceeded that of any year since 1930 and approached the levels of the 1920 decade."**

## Mayors Meet to Halt Plant Shutdowns

Industry, labor and civic interests — 2,000 strong — united last week and prepared the organization ground-work for a concerted drive to halt spreading plant closures and unemployment stemming from mandatory priority control of materials.

Mayors from 150 towns and cities and labor and industry management from hundreds of cities in eleven Middle West states banded together and set up the nucleus of a National Emergency Conference to present unemployment due to priorities. Stories of plant closures and threatened closures abounded at the conference as did tales of operations which have been halved or cut even more sharply because small companies were unable to obtain defense work or the materials with which to continue their non-defense manufacture.

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A committee was formed when the meeting closed. This committee or conference will set up the working organizations utilizing the various trade and civic associations throughout the Middle West. It will gather facts. These facts will be presented to government agencies. And, if nothing is done to remedy the ills growing out of the defense effort, civic government heads, industry and labor will demand to know why.

## Rhode Island Public Finance Association Formed

The Rhode Island Public Finance Officers' Association has been formed to improve methods of public accounting, bring about adequate procedures of governmental accounting, budgeting and financial reporting and to encourage the use of a common terminology, classifications and principles relating to public finance.

## Texas Road Debt Bills Considered

In special session at Austin, the Texas legislature is engaged in preliminary discussions of two bills offered to solve the road district debt problem. The Shivers bill, which embodies the plan of Governor Coke R. Stevenson, provides for state assumption of $10,000,000 of bonds issued by road districts for purchase of rights-of-way and $375,000 of bonds for construction of two military roads. It also would establish a policy of making state funds available for purchase of highway rights-of-way. One cent of the gasoline tax is alloted for debt service of road districts and the current argument relates to use of the surplus in that fund.

**It is said that unless state aid is granted by the legislature, the districts will face a choice of ad valorem taxation or default on bonds.**

## Trend Of The Market

A current of activity in some of the higher-yield issues brightened an otherwise dull period in the municipal bond market the past few days. Specialists in civic obligations were watching closely the action of the federal securities, which wavered on the intimation of Secretary Morgenthau that Treasury opposition to increasing bank reserve requirements might be waning. Issues of local taxing bodies stood their ground, however, and traders reported no evidence of any liquidation inspired by that development.

Despite the light volume of new flotations for the current period, though, a slight expansion in the supply of offerings available in the market was indicated. This was attributed to the listing by eastern houses of odd amounts of New York City bonds that combined to make a fair-sized aggregate. Representative compilations showed about $57,000,000 of bonds offered at the past week end, compared with about $56,615,000 a week earlier.

Buying interest appeared to be

marking time on the whole, but dealers said that anything regarded as a bargain received immediate attention. Firmness of the price situation generally was attested by the marking up of several blocks of State of Arkansas bonds that had been picked up by several southern dealers as much as 40 points yield basis.

### Major Sales Scheduled

We list herewith the more important municipal offerings ($500,000 or over—short term issues excluded), which are to come up in the near future. The names of the successful bidder and the runner-up for the last previous issue sold are also appended.

**Sept. 18th (Today)**

**$723,000 Centralia, Ill.**

No recent bond sales have been negotiated by this city.

**Sept. 23rd**

**$500,000 Prince George's Co., Md.**

Small bond issue was awarded in Oct 1939 to Butcher & Sherrerd of Philadelphia. Next highest bidder was Halsey Stuart & Co., Inc., while John Nuveen & Co. of Chicago, was third.

**$500,000 West Va., State of**

On July 10 the State awarded a larger issue to Phelps, Fenn & Co. of New York, and A. E. Masten & Co. of Pittsburgh, jointly. Kaiser & Co., and associates, second highest.

**Sept. 24th**

**$2,000,000 Chicago, Ill. (water works ctfs.)**

Most recent sale of long-term water works certificates took place in May, the award going to Halsey, Stuart & Co., Inc., and Mullaney, Ross & Co., both of Chicago, jointly. Second best bid by Harriman Ripley & Co., Inc., and associates.

**Sept. 25th**

**$697,000 Essex Co., N. J.**

The county awarded bonds in Dec. 1939, to a syndicate headed by H. L. Allen & Co. of New York. Runner-up in the bidding was the West Side Trust Co. of Newark, and M. M. Freeman & Co. of Philadelphia, bidding jointly.

**Oct. 10th**

**$14,100,000 Philadelphia, Pa.**

Syndicate headed by Drexel & Co. of Philadelphia, obtained award of the bonds offered in Dec. 1939. Second best bid was entered by the First Boston Corp., and associates.

## Schilling In Albany

ALBANY, N. Y. — William Frances Schilling is engaging in a general securities business from offices at 394 Broadway.

## Inflation Hedges

Francis I. duPont & Co. and Chisholm & Chapman, 1 Wall Street, New York City, members of the New York Stock Exchange have prepared a new study of fire and casualty insurance company stocks, listing ten factors which contribute to their effectiveness as inflation heldges. Copies may be obtained from the firm on request.

## Charles Hayden Golf Tourney For Sept. 26

*(Continued from First Page)*

Lazard Freres & Co.; Lehman Brothers; Laurence M. Marks & Co.; Merrill Lynch, Pierce, Fenner & Beane; F. S. Moseley & Co.; G. M.-P. Murphy.; Paine, Webber & Co.; R. W. Pressprich & Co.; Reynolds & Co.; E. H. Rollins & Sons, Incorporated; Schoellkopf, Hutton & Pomeroy, Inc.; Shields & Co.; Smith, Barney & Co.; Spencer Trask & Co.; Stone & Webster and Blodget, Incorporated; and Union Securities Corporation.

Serving on the tournament committee with Mr. Taft, who captained the winning team last year, are Frederick L. Ehrman of Lehman Brothers, Nevil Ford of The First Boston Corporation and Frank E. Gernon of Hayden, Stone & Co.

## Our Reporters Report

*(Continued from First Page)*

duced several years ago from the full level of 26 per cent. But the Reserve Board has been inclined to seek power from Congress to establish the maximum at an even higher figure in the event that future conditions require it.

**With the matter in a state of flux, bankers find themselves in a quandary which is likely to continue until definite action is taken one way or the other. Bankers realize that a boost in reserve requirements at this point would mean, at the least that the high-grade investment market had reached its peak for the current cycle.**

Accordingly there is no little hesitation about going after business due to the unknown quantity which the matter of excess reserves constitutes. Underwriters fear that they may purchase an issue and find themselves faced with a drastic change in market conditions before they have had an opportunity to distribute the bonds.

**Would Force Bank Selling**

Commercial and industrial loans of banks around the country have been in a steady and marked rising trend over many months. Accordingly it is contended that a boost in reserve requirements, as now seems to threaten, could bring about a readjustment of material proportions in the high-grade market.

**Discussion has indicated that the Reserve Board would like to see existing excess reserves slashed by about $1,000,000,000. To meet the larger reserves which such a step would require, it is argued, many institutions would be forced to realize on their investment portfolios since they would not wish to disturb outstanding loans.**

Such necessary selling would, admittedly, weigh heavily on the seasoned bond market, which though under the best levels, is not too far removed from its peak. A consequence would be the need for readjusting new offerings to meet the changed situation.

**Speaking of Competition.**

Bidding for railway terminal issues sold during the week brought out competition among banking interests which must have satisfied even the most ardent advocates of this method of marketing securities.

**In the case of the St. Paul Union Depot company's sale of $14,737,000 of first and refunding bonds due in 1971, a total of four separate bids were received. Moreover, the spread between the highest and the lowest terms offered indicated the wide range of ideas on the part of the bidders.**

The successful group bid 101.25 for the issue as 3⅛s, or an indicated cost basis to the company of 3.06 per cent. The lowest tender received was 100.405 for the bonds as 3½s, which would have made the cost to the company 3.47 per cent. Other bidders sought the issue as 3¼s and 3⅜s.

**Increasing the Strain.**

Among keep observers the belief is that the bidding for American Telephone & Telegraph Company's $90,000,000 of thirty-five year 2¾s, now set for September 29, will conceivably reflect anxiety over the element of reserve requirements.

**Two very substantial groups are in the field definitely for this business and there is little doubt in the minds of market men that those charged with the task of setting up their bids are having their worries.**

Unquestionably nothing would please them more than to have the "green light" go up in the meantime in Washington, as the trade puts it, namely to have the agitation for raising reserve requirements of banks sidetracked for a while longer.

**Looking for Port.**

Distributing dealers, particularly those who have been anxious in the past to be recognized in syndicates in an underwriting capacity, seem to be undergoing a change of ideas, judging from comments of some of those whose job it is to contact such firms.

**There has invariably been, among some these firms, a leaning toward the "keeping up with the Joneses" idea. That is, if one firm sought a $1,000,000 participation, then another would seek a similar allotment.**

**Just now, however, syndicate managers who line up the selling groups, find more of a disposition to get right down to cases. More and more firms now want to participate as dealer underwriters rather than as distributing underwriters.**

The tendency is to call for allotments which are more definitely along lines which the firm in question can readily sell. The element of firm pride, at least for the present, seems to have been submerged.

Never too busy
to be
Good Neighbors

THERE are a lot of workers in the Bell System—about 350,000 of them. That's a big family and it likes to be a friendly kind of family.

Whether it be the installer in the house, the people in our offices, the operators or the lineman on the roadside helping to rescue a stray kitten for a worried youngster, telephone workers are close to the public and the tradition of the job is helpfulness.

Even in these days when the needs of defense place sudden and increasing demands on telephone workers, they are never too busy to be good neighbors.

**Bell Telephone System**

*"The Telephone Hour" is broadcast every Monday.* (N.B.C. *Red Network, 8 P. M., Eastern Daylight Saving Time.*)

## Philadelphia Scrapple and Ice Cream For Traders at the N.S.T.A. Convention!

The Philadelphia contingent of 25 to 30 strong is throwing a treat to the assembled delegates and guests at the 8th Annual Convention of the National Security Traders Association in New Orleans.

Through the courtesy of F. G. Vogt & Sons, Philadelphia meat packers and pork specialists, the hosts will be given a taste of one of Philadelphia's special dishes, to be served at luncheon when the crowd assembles at the Lakewood Country Club for sports and golf.

On Tuesday at the cocktail party to be held in Le Petit Theatre, Du Vieux Carre, the happy throng will be served some of Philadelphia's nationally known ice cream, through the courtesy of the Philadelphia Dairy Products Co.

Vic Moseley, Stroud & Co., Inc. and Herb Blizzard, (Herbert H. Blizzard & Co.) of the Investment Traders Association of Philadelphia are responsible for obtaining these treats.

## Donald Cook With Amott-Baker, Buffalo

BUFFALO, N. Y.—Donald A. Cook, formerly a partner in the New York Stock Exchange firm of S. E. Levy & Co., Manila, P. I., is now associated with Amott, Baker & Co., Incorporated, 298 Main Street.

## Write For Ins. Memos.

A series of memorandums which should prove of interest to dealers on Aetna Insurance Co., Fireman's Fund Insurance Co., General Reinsurance Corp., Glens Falls Insurance Co., National Casualty Co., National Union Fire Insurance Co., Security Insurance Co., Springfield Fire & Marine Insurance Co., and United States Guarantee Co., have been prepared for distribution by Mackubin, Legg & Co., Redwood & South Sts., Baltimore, Md. Copies may be obtained from the Bank and Insurance Stocks Department of Mackubin, Legg.

## Opens In New York City

Hansa - Lloyd International Commercial and Travel Service, Inc. has opened offices at 144 East 86th Street to engage in a securities business.

# WHISPERINGS

**Clarence Walker, manager of Newburger Loeb's W. 57th Street office** was standing in his customer's room one afternoon when a strange lady entered. Always being mindful of a potential customer Clarence approached her and politely greeted her with "Good morning." The lady smiled back a little uncertainly and asked if it would be all right if she sat down for a while and just watched "a few investments." Clarence, the perfect gentleman, showed her to a seat and assured her it would be perfectly all right. After a few minutes Clarence noticed the lady looking a bit confused and approached her again. "Anything the matter?" The lady smiled back timidly and said hesitatingly no but would he be good enough to point out some stocks to her? Nothing could be easier assured Clarence, was there any stock the lady had in mind? As the lady still looked uncertain Clarence began reading off a few ticker quotes, all, as it happened, low priced stocks. "Haven't you any high priced investments?" broke in the lady. "Why of course!" replied Clarence expansively seeing a fat order in the immediate offing, and began quoting American Telephone, Allied Chemical etc. "I see" said the lady who apparently didn't see at all. "I'm really just looking and as my dear husband once said, if you're just looking you can afford to look at the best" And with a gentle smile of thanks the lady got up and left.

*Who was the guy who sent in a call to the local gendarmes complaing about the pin ball machines at the STANY picnic last week?*

**Case** will show better than two dozens of dollars per share for the current year . . . and present stock to be split into four parts. . . . **Paramount** to come up with twice as much for the September period then it showed for the same time last year. . . .

**Doehler Die** will top it's best earnings (1929) this year . . . don't be surprised if the next meeting produces an extra divvy. . . . **Savage Arms** will pop up with $7 on the new stock . . . will also pay three dividends between now and the end of the year . . . one of which will be an extra. . . . Wonder if there is anything in that yarn that **Republic Steel** will absorb **Wickwire?**

**From the News Files**—Conrad Veidt, the movie actor, as quoted in Cue Magazine: "The female is different from the male. There is no doubt of it." . . . The old tattle-tale! . . . Philadelphia real estate agents are now advertising estates with bomb shelters.

**T. L. MacDonald (& Co.)** was pitching horseshoes one evening with a fellow dealer when the name of another dealer came up. "Whatta ya think of him?" asked T. L.'s friend. "Well, I'll tell you" replied Tom while squinting at the pin. "All I know is that he brags he landed in this country without a dime in his pocket—and now he owes more than $50,000—so I guess he's doing well."

**Bill (Bond & Goodwin) Wittich** knows of certain issue that went soure because of bad language—from the customers.

**William J. (Herbert E. Stern & Co.) Lytle** tells the one about the Nazi soldier. Seems that the Nazi was asked to sit on top of the Eifel Tower to watch for the time when the British would wave a white flag. "It's not much pay," he explained, "but it's a life time job."

## Investment Trust

*(Continued from Page 199)*

of the administration to check the rise in prices. From the investor's point of view, this general rise in prices is reflected in a shrinkage in the purchasing power of both capital dollars and income dollars.

"The effect of this type of inflation can and should be offset or reduced by placing a portion of the investment capital in the type of securities that are appropriate as an 'inflation hedge.'

**Type II—Fear of Money**

"This type of inflation develops when the public loses confidence in the national currency and rushes to convert all cash into goods for fear the money will become worthless. This mad rush to buy anything at any price regardless of whether the article is needed or not, ends in complete economic chaos and disaster. There is no known satisfactory hedge against this type of inflation.

"There appears to be very little likelihood of this type of 'hot money' inflation developing in the United States. We have tremendous gold reserves as abase for our currency, and the banking laws now include adequate provisions for checking and controlling any dangerous expansion of bank credit. Finally, any threat of this type of inflation would undoubtedly be met by freezing prices and placing governemnt restrictions on transactions.

"Under these circumstances, investors should be concerned with the first type of inflation and should take the necessary steps to offset or reduce the consequent shrinkage in the purchasing power of capital dollars and income dollars."—**The Keystone Investor**, September, 1941.

* * *

"If the stock market has not been moving up and down these past two years in its old role of business barometer, what factors have been responsible for its moves? Obviously, reports from the battlefronts have played the part; likewise, trends in the conflict of radical versus conservative policital philosophy, taxes versus earnings, and the changing aspects of the prospects for inflation. No one of these factors has been all important, yet each doubtless plays a part.

"The same impression of lack of reason or logic which one gains from watching the American securities markets is obtained by looking across the Atlantic at European markets.

"Europeans—in **any** country on that continent—have little season to be happy. Yet, here are some headlines from the New York Times of September 8, 1941:

> Reich Fighting Stock Advance—More Drastic Measures Feared as Liquidation of Confiscated Shares Seems Inadequate—New Issues Light.
>
> Investment Urge Holds In Europe—Press of Idle Funds Especially Noticeable On Amsterdam And Brussels Bourses.
>
> Wide Swings Restricted — Paris And Lyonns Bourses Put Limit On Upside Variations.

"This state of affairs has nothing to do with victory or defeat—and can hardly represent the discounting of future increased production (the RAF is a factor there). It is not inflation, in the oldfashioned sense, because commodity prices are rigidly controlled. But is clearly the result of distortions in the fields of investment opportunity, money supply, income and consumption.

"No one thing is **the** important factor in the market, although by turns various factors have become overwhelming, just as in Europe the excess of purchasing power over consumption goods prices has become overwhelming in their stockmarkets.

"Here in this country, once the deflationary transition problems have run their courses, and if commodity prices, wages, and taxes find, or are given, some sort of ceiling, the same factor will likewise overwhelm all others in the market for the duration of the period of emergency production.

"When will it be possible to say: 'The problems of transition are complete. The soaking in of purchasing power by labor and farmer has ceased increasing. Now the distortion will turn the other way—towards the stock market?'

The question, to some extent, answers itself, because it suggests the directions in which to look for an answer. Most of the answer will be found only by close observation, constant attention. Headlines will proclaim the new uptrend only after it is a well-settled fact. — **Abstracts**, September 11, 1941.

* * *

**Correction**

In the table of Investment Companies appearing in the issue of September 4, 1941, Fundamental Investors, Inc. was listed as having shown an increase in asset value (including dividends) of 29% from the low of June, 1940 to the high of July, 1941. The correct figure should have been 34%. The average gain for the twenty-five trusts listed was 31%, unaffected by this correction.

## Lyons & Graham With Mitchell, Hutchins Co.

(Special to The Financial Chronicle)

CHICAGO, ILL. — Franklin Lyons and William Lawrence Graham, Jr. have become connected with Mitchell, Hutchins & Co., 231 South La Salle Street, members of the New York Stock Exchange and other leading exchanges. Mr. Lyons was formerly with Perry, Spencer & Co., and prior thereto was a partner in Rawson Lizars & Co. Mr. Graham was with Merrill Lynch, Pierce, Fenner & Beane and prior thereto was local manager for Fuller, Rodney & Co. of New York.

Karl H. Schewe, for many years with Talcott, Potter & Co. and prior thereto with Graham & Co. has also become associated with the firm.

## Mandell Leaves Curb, Joins Gilcrease Oil Co.

Winthrop A. Mandell, special representative of the New York Curb Exchange, for public relations and sales promotion since 1939, has become associated with the Gilcrease Oil Company of Texas, 165 Broadway, New York City, in the same capacity. Since 1915, when he became associated with George H. Burr & Co., he has been active in both the retail and wholesale fields of the security business.

## MacMurray At Paine-Webber

(Special to The Financial Chronicle)

CLEVELAND, Ohio. — William E. MacMurray has become associated with Paine, Webber & Co., Terminal Tower Building. Mr. MacMurray was formerly manager of the Portfolio Analysis Department of the Cleveland office of Eaton & Co., Inc. and in the past was with the New York Produce Exchange and Standard Statistics Co. in New York.

# UP-TOWN AFTER 3

***THE STAGE***

**"The Wookey" drama by Frederick Hazlett Brennah; staged by Robert Sinclair; sets and lighting effects by Jo. Mielziner. Produced by Edgar Selwyn at the Plymouth Theatre W. 45th St. Reviewed Thursday Sept. 11, 1941.**

"The Wookey" is not a powerful story but it is a timely one. At times it is brittle but seldom does its interest dwindle. It is a story of a typical Britisher, a tug owner who graduated from "garbage to metals" who rules his family with an iron hand. As the head of the Wookey family, the stumpy tough little Cockney (Edmund Gwenn) makes all the family decisions. The founding of a Wookey line and keeping it respectful, is his immediate concern; he arranges marriages and guards the rights of his family with forceful decisions. As a free British subject he once advised the government how to run its affairs but since Dowing Street ignored his advice he washes his hands of the whole mess. It wasn't until Dunkerque that he changed his mind. And even that is brought about while trying to help a member of his family escape from Dunkerque. The scenes, sound effects and the lighting are tremendous. The bombing of London is brought to the stage with considerable realism. The sound effects are terrifying enough for the most hardened. Mr. Gwenn as the man of decisions is topnotch. Norah Howard as the worshipping respectful wife is excellent. Heather Angel, the daughter, whose nerves crack under the bombing, is completely believable. The rest of the cast, George Sturgeon, the son; Horace McNally, the brawling Irish mate of the Wookey tug and suitor for the daughter's hand and Carol Goodner, the Wookey sister-in-law who does a strip tease dance on the London stage, contribute admirably to one of the best shows of the current season.

***THE SCREEN***

**"Lady Be Good" (MGM) with Eleanor Powell, Ann Sothern, Robert Young, Red Skelton, John Carroll, Lionel Barrymore and others. Directed by Norman McLeod. Rating "Ba".**

This is that old musical that played on Broadway back in the early 20's. We don't recall the stage version but it could hardly have been as long and boresome as the movie. It's about a pair of song writers who turn out hit after hit until the male member of the team gets illusions of grandeur; he goes Park Avenue. So the girl (who is now his wife) divorces him. From then on it is one chase after another. He wants her back. She wants him back but on her terms. So they remarry but again come to the parting of the ways. Sandwiched between their matrimonial adventures is some nice singing, a little bit of dancing, etc. But no matter how good the musical portion of the picture it can't overcome the tediousness of the main plot. "Lady Be Good!!!" . . . It should be called "Lady Be Quick!"

***NIGHT CLUB***

**"Bill Hardy's Gay 90's" (57 E. 54th)** devoted to nostalgia from its handlebarred mustached doorman cop to it's entertainment in the two storied brownstone house—a museum dripping with memories of yesterday. Its entertainers were all topnotchers in the days when the Palace was the top of the ladder. Today they are here singing such oldies as the Yama Yama Man, Old Fall River Line, Down By the Old Mill Stream, etc. Most contagious personality of the lot is **"Spike" Harrison** who lists among his repertoire the lament "I Brought Me Harp to the Party, But Nobody Asked Me to Play." **Harry Donnelly,** who looks and sings like Jimmy Durante (he used to be his partner) does a few verses of Hinky-Dinky-Doo that are hilarious. Most spirited of all is the barber shop quartet (**Gus Wicke**—once Popeye's movie voice—**Jerry White** and **Frank Wheeler**). The place is grand for casual fun. No dancing but lots and lots of singing and the crowd joins in.

***DAWN PATROL***

**At Fefe's Monte Carlo** . . . lawyer getting stuffy not because of check but amount of tax . . . it's illegal he says 'n won't pay it. . . So **Gene (Colony) Cavellero** sooths lawyer's rumpled feathers by paying it for him . . . and lawyer who was all puffed up with indignation sidles out all deflated . . . **Oscar Levant, Mrs. Levant, Alf Vanderbilt** and **Dolly deMilhau** of the social register sitting in a corner . . . Dolly hides her glims behind dark glasses . . . **Margot Graham** dancing to Kirby's swell music . . . **Georgie Price** telling us about his new night club appearance but during trading hours will still be in the Street . . . **Didi Codret** all excited and starry eyed . . . she just got the ingenue part in coming stage play "Cockeyed Wonder" . . . **Phil's 45th St. Cafe** run by **Phil Weinberg (brother of Sammy Weinberg of S. H. Junger & Co.)** used to be an old bank stock trader . . . food at Phil's is plain but grand . . . Press agent **Seaman Jacobs** so timid he can't ask cigar store clerk for change to make phone call . . . buys pack of butts . . . and he doesn't smoke . . . glamor girl photog **Murray Kormin** introducing charming blonde as Sonja Henie . . . a dead ringer for Sonja but she's **Rita Sinclair** . . . **At Barberry Room**-gin-rummy and bridge addicts arguing hands and letting swell food get cold. . . .

## SEC Registration Revoked

The registration as broker-dealers of Saunders, MacKnight & Co., Inc., 1 Bridge Street, Plattsburg, N. Y., has been ordered revoked by the Securities and Exchange Commission on the grounds that the firm had been enjoined from engaging in certain practices in connection with the sale of securities within the State of New York. The firm consented to the revocation of the registration.

## Rail Bonds Attractive

The current wave of liquidation of railroad bonds of all kinds by the smaller institutions has enabled B. W. Pizzini & Co., 52 Broadway, New York City, to obtain a block of underlying first mortgage rail and terminal bonds at what they consider to be an attratctive price. Their circular on Lehigh & Lake Erie First Mortgage 4½s, 1957, an unlisted bond, is available from the firm upon request.

# Bonds Ease Slightly

The softening tendency which appeared this week in the bond market has been felt throughout the list, with high grades as well as low grades losing ground moderately. Treasury bonds lost about a quarter point on the average.

High-grade railroad issues, in sympathy with the general weakness prevailing in the high-grade bond market, registered losses. Chesapeake & Ohio 4½s, 1992, dropped 1 point to 131. Medium-grade rails lost ground and the more speculative rail bonds scored losses, in several instances sinking to new lows. Great Northern 5½s, 1952, dropped 1 point to 101½, a new 1941 low. New York Central junior issues declined to new low ground for the year and Illinois Central, Western Lines 4s, 1951, lost 1 point at 59¾. Defaulted rails has been fractionally lower in light trading. Several syndicates have submitted bids for $2,100,000 Wichita Union Terminal Railway bonds and a 14,737,000 St. Paul Union Depot issue. Colorado & Southern Railway announced a debt readjustment plan whereby $20,000,000 General Mortgage 4½s would be replaced on a 2½% fixed and 1½% contingent basis.

Price changes in high and better grade utility bonds continued to be slight, the average remaining virtually unchanged. Speculative activity flared up in several issues, Associated Electric 4½s, 1953, Interstate Power 6s, 1952, North Continent Utilities 5½s, 1948, and Twin City Rapid Transit 5½s, 1952, rising sharply. Laclede Gas Light issues have sold off after submission of the reorganization plan.

In the industrial section of the list steels showed mixed changes, primarily fractional, but the Republic Steel conv. 5½s, 1954, gained 1⅛ points at 105½ and the Youngstown 3¼s, 1960, lost 1⅜ points at 100½. Small fractional declines have been shown by petroleum company obligations, and in the shipping section the International Mercantile Marine 6s, 1941, lost 3 points at 88½ following a 1½ point gain last week. Sugars have been mixed following strength last week; the Francisco 6s, 1956, gained a point while the Manati 4s, 1957, lost 1¾ points. Further weakness has developed in the Childs Company 5s, 1943, bringing the issue to 45½ for a 3½ point loss on the week.

In the foreign list sentiment improved as Japanese bonds have extended their rally with advances up to 9 points. Other strong features have been Scandinavian loans but Belgian issues have been slightly unsettled. Canadian and Australian issues have continued in good demand. Argentine bonds have weakened while Chile and Uruguayan issues closed fractionally higher. Official trading in foreign bonds will in the future be restricted to issues to which clearance certificates have been attached, which may broaden trading in the foreign list.

Moody's computed bond prices and bond yield averages are given in the following tables:

MOODY'S BOND PRICES †
(Based on Average Yields)

| 1941 Daily Averages | U. S. Govt. Bonds | Avge. Corporate * | Corporate by Ratings * Aaa | Aa | A | Baa | Corporate by Groups * R. R. | P. U. | Indus |
|---|---|---|---|---|---|---|---|---|---|
| Sept 16 | 118.87 | 107.62 | 118.00 | 114.66 | 108.70 | 91.62 | 96.85 | 111.81 | 115.24 |
| 15 | 118.96 | 107.44 | 117.80 | 114.66 | 108.70 | 91.62 | 97.00 | 111.81 | 115.04 |
| 13 | 119.02 | 107.62 | 118.00 | 114.46 | 108.70 | 91.77 | 97.00 | 111.81 | 115.24 |
| 12 | 119.02 | 107.62 | 118.00 | 114.66 | 108.70 | 91.62 | 97.00 | 111.81 | 115.24 |
| 11 | 119.02 | 107.62 | 118.00 | 114.85 | 108.70 | 91.77 | 97.16 | 111.81 | 115.24 |
| 10 | 119.09 | 107.80 | 118.20 | 115.04 | 108.88 | 91.91 | 97.16 | 111.81 | 115.43 |
| 9 | 119.11 | 107.80 | 118.20 | 114.85 | 108.88 | 91.91 | 97.16 | 112.00 | 115.43 |
| 8 | 119.13 | 107.80 | 118.20 | 114.85 | 108.70 | 92.06 | 97.16 | 112.00 | 115.24 |
| 6 | 119.18 | 107.80 | 118.20 | 114.85 | 108.70 | 92.06 | 97.16 | 112.00 | 115.24 |
| 5 | 119.13 | 107.80 | 118.20 | 114.85 | 108.88 | 95.06 | 97.31 | 112.00 | 115.24 |
| 4 | 119.16 | 107.80 | 118.20 | 114.85 | 108.88 | 92.06 | 97.16 | 112.00 | 115.43 |
| 3 | 119.13 | 107.80 | 118.20 | 114.66 | 108.88 | 92.06 | 97.16 | 112.00 | 115.43 |
| 2 | 119.13 | 107.80 | 118.20 | 114.66 | 108.88 | 92.06 | 97.16 | 112.00 | 115.43 |
| 1 | | | | Stock Exchange Closed | | | | | |
| Aug. 29 | 119.14 | 107.80 | 118.40 | 114.85 | 108.88 | 91.77 | 97.16 | 111.81 | 115.43 |
| 22 | 118.78 | 107.62 | 118.00 | 114.66 | 108.70 | 91.77 | 97.16 | 112.00 | 115.04 |
| 15 | 118.90 | 107.80 | 118.00 | 115.04 | 108.70 | 91.91 | 97.31 | 112.00 | 115.04 |
| 8 | 119.20 | 107.98 | 118.20 | 115.24 | 108.70 | 92.20 | 97.47 | 112.00 | 115.24 |
| 1 | 119.56 | 107.80 | 118.20 | 115.24 | 108.52 | 92.06 | 97.47 | 112.00 | 115.24 |
| July 25 | 119.55 | 107.80 | 118.00 | 115.24 | 108.52 | 92.06 | 97.47 | 112.00 | 115.04 |
| 18 | 119.47 | 107.62 | 118.20 | 115.04 | 108.34 | 91.91 | 97.46 | 112.00 | 115.04 |
| 11 | 119.46 | 107.62 | 118.20 | 115.04 | 108.16 | 91.91 | 97.16 | 111.81 | 115.04 |
| 3 | 119.55 | 107.44 | 118.00 | 114.66 | 107.98 | 91.77 | 97.00 | 111.62 | 114.85 |
| June 27 | 119.45 | 107.44 | 118.00 | 114.66 | 107.80 | 91.77 | 97.16 | 114.44 | 114.66 |
| 20 | 119.02 | 107.09 | 117.80 | 114.46 | 107.62 | 91.48 | 97.00 | 111.44 | 114.27 |
| 13 | 118.97 | 106.92 | 117.60 | 114.08 | 107.44 | 91.48 | 97.00 | 111.25 | 113.89 |
| 6 | 118.81 | 106.74 | 117.20 | 113.70 | 107.27 | 91.19 | 96.69 | 110.88 | 113.31 |
| May 29 | 118.71 | 106.39 | 116.61 | 113.31 | 107.09 | 91.05 | 96.69 | 110.70 | 112.75 |
| 23 | 118.35 | 106.39 | 116.80 | 113.50 | 106.92 | 91.19 | 96.69 | 110.70 | 112.93 |
| 16 | 118.52 | 106.39 | 116.61 | 113.31 | 106.92 | 91.34 | 96.85 | 110.52 | 112.75 |
| 9 | 118.45 | 106.56 | 116.80 | 113.12 | 106.92 | 91.62 | 97.00 | 110.52 | 112.93 |
| 2 | 118.66 | 106.39 | 117.00 | 112.93 | 106.74 | 91.34 | 96.85 | 110.52 | 112.75 |
| Apr. 25 | 118.62 | 106.21 | 116.61 | 112.75 | 106.56 | 91.19 | 96.69 | 110.34 | 112.19 |
| 18 | 118.28 | 105.86 | 116.41 | 112.56 | 106.39 | 90.91 | 96.54 | 110.15 | 112.00 |
| 10 | 117.36 | 105.69 | 116.41 | 112.19 | 106.21 | 90.77 | 96.54 | 109.79 | 111.81 |
| 4 | 117.55 | 106.04 | 116.80 | 112.37 | 106.21 | 91.48 | 97.00 | 109.97 | 112.19 |
| Mar. 28 | 117.80 | 105.86 | 116.41 | 112.19 | 106.04 | 91.05 | 96.54 | 109.79 | 111.81 |
| 21 | 117.85 | 106.21 | 117.00 | 112.93 | 106.56 | 90.77 | 96.54 | 110.15 | 112.75 |
| 14 | 117.77 | 106.21 | 117.40 | 113.31 | 106.56 | 90.46 | 96.54 | 109.97 | 113.31 |
| 7 | 116.90 | 106.04 | 117.40 | 113.31 | 106.39 | 90.20 | 96.23 | 109.97 | 113.12 |
| Feb. 28 | 116.93 | 105.66 | 117.20 | 112.93 | 106.21 | 89.78 | 95.92 | 109.79 | 112.75 |
| 21 | 116.06 | 105.52 | 117.00 | 112.75 | 106.04 | 89.52 | 95.62 | 109.60 | 112.75 |
| 14 | 116.24 | 105.86 | 117.60 | 113.12 | 106.21 | 89.64 | 95.92 | 109.60 | 113.12 |
| 7 | 116.52 | 106.21 | 117.80 | 113.31 | 106.39 | 90.20 | 95.54 | 109.79 | 113.31 |
| Jan. 31 | 117.14 | 106.39 | 118.00 | 113.70 | 106.39 | 90.48 | 96.85 | 109.79 | 113.70 |
| 24 | 117.64 | 106.56 | 117.60 | 113.89 | 106.56 | 90.77 | 97.16 | 109.97 | 113.50 |
| 17 | 118.06 | 106.56 | 118.20 | 113.89 | 106.56 | 90.48 | 96.69 | 110.15 | 113.89 |
| 10 | 118.03 | 106.56 | 118.20 | 114.27 | 106.56 | 90.31 | 96.69 | 110.15 | 114.08 |
| 3 | 118.65 | 105.39 | 118.40 | 114.46 | 103.39 | 89.73 | 95.92 | 110.15 | 114.4 |
| High 1941 | 119.62 | 107.98 | 118.60 | 115.24 | 108.88 | 92.35 | 97.62 | 112.00 | 115.43 |
| Low 1941 | 115.89 | 105.52 | 116.22 | 112.00 | 106.04 | 89.23 | 95.62 | 109.42 | 111.6 |
| High 1940 | 119.63 | 106.74 | 119.09 | 115.04 | 106.74 | 89.92 | 96.07 | 110.88 | 114.85 |
| Low 1940 | 113.02 | 99.04 | 112.19 | 109.60 | 99.52 | 79.37 | 86.38 | 105.52 | 106.56 |
| 1 Yr. Ago Sept. 16, 1940 | 116.24 | 103.80 | 116.61 | 112.75 | 103.47 | 86.11 | 92.20 | 109.42 | 111.07 |
| 2 Yrs. Ago Sept. 16, 1939 | 110.81 | 97.00 | 108.52 | 104.14 | 95.32 | 82.90 | 88.13 | 100.81 | 103.13 |

# Tomorrow's Markets Walter Whyte Says——

(Continued from Page 195)

around about the inability of the market to get through the averages. The averages most widely used to emphasize this point are the Dow Industrials. In the last few months with the market being what it is, and was, I had a great deal of time to study these averages and the stocks that make them up. It is apparent to anybody that these averages are having the devil's own time in getting through the 128-30 level. But just because this is so apparent a number of people have lost sight of the fact that while the averages are backing and filling a number of stocks have not only gone through the equivalent of the average resistance point but in a number of cases have even managed to penetrate a level where potential resistance is even more important.

* * *

However if you look to the old line or orthodox leaders to prove this point you will see nothing. For it isn't stocks like Chrysler, General Motors or even Steel that have managed to do this. No, the stocks that are up in the stratosphere are the dogs of yesterday; the issues that a few years ago nobody even heard of, but if they had, wouldn't have given them a thought.

* * *

All this is natural. Every decade there is a change in fashions, economic as well as social. Ten years ago the word "technocracy" was on everybody's lips. Today it's fascism. Ten years ago it was General Motors that everybody thought was the ideal stock to have; today it's a shipbuilding company or an arms company.

* * *

Looking at it another way the averages are hemming and hawing but 33 1-3% of the stocks on the Big Board are through the Dow average resistance point — 128-130, and another 20% are through the Dow average resistance point of 150. That leaves about 50% unaccounted for. Of that latter figure another 1/3 are with the market, which leaves only about 20% of the total stocks on the Board that are behind the market.

* * *

Unfortunately these 20% make up the so-called orthodox leaders most people watch. Naturally, it is not easy to become optimistic on the outlook when these stocks refuse to go up. But just as there is change in fashions so must the trader attune himself to a change in market practises if he intends going on doing business.

* * *

Here is still another though: Years ago it was the stocks that the house on the corner was reputed to have a finger in that were the "buys." Today it's the companies that are the beneficiaries of New Deal largess (RFC) that are the romantic ones. All of this adds up as follows: The averages—as we know them may do nothing for a while, but stocks that are not in the averages will continue to go up — or at worst refuse to go down.

* * *

Meanwhile for the rest of this month I believe the market will continue to swing back and forth in about a 4 point range. I don't expect any real change in tempo until next month rolls around though if one does occur it will most likely be on the bull side. All the stocks you have continue to do well. There is no change in either their near term outlook or their individual "stops." So summing up the whole thing it amounts to this: Forget the averages (you can't buy them anyway); hold all positions — don't disregard "stops," but stay bullish.

* * *

More next Thursday.

—Walter Whyte

*[The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.]*

MOODY'S BOND YIELD AVERAGES †
(Based on Individual Closing Prices)

| 1941 Daily Average | Avge. Corporate | Corporate by Ratings Aaa | Aa | A | Baa | Corporate by Groups R. R. | P. U. | Indus |
|---|---|---|---|---|---|---|---|---|
| Sept 16 | 3.30 | 2.75 | 2.92 | 3.24 | 4.30 | 3.95 | 3.07 | 2.89 |
| 15 | 3.31 | 2.76 | 2.92 | 3.24 | 4.30 | 3.94 | 3.07 | 2.90 |
| 13 | 3.30 | 2.75 | 2.93 | 3.24 | 4.29 | 3.94 | 3.07 | 2.89 |
| 12 | 3.30 | 2.75 | 2.92 | 3.24 | 4.30 | 3.94 | 3.07 | 2.89 |
| 11 | 3.30 | 2.75 | 2.91 | 3.24 | 4.29 | 3.93 | 3.07 | 2.89 |
| 10 | 3.29 | 2.74 | 2.90 | 3.23 | 4.28 | 3.93 | 3.07 | 2.88 |
| 9 | 3.29 | 2.74 | 2.91 | 3.23 | 4.28 | 3.93 | 3.06 | 2.88 |
| 8 | 3.29 | 2.74 | 2.91 | 3.24 | 4.27 | 3.93 | 3.06 | 2.89 |
| 6 | 3.29 | 2.74 | 2.91 | 3.24 | 4.27 | 3.93 | 3.06 | 2.89 |
| 5 | 3.29 | 2.74 | 2.91 | 3.23 | 4.27 | 3.92 | 3.06 | 2.89 |
| 4 | 3.29 | 2.74 | 2.91 | 3.23 | 4.27 | 3.93 | 3.06 | 2.88 |
| 3 | 3.29 | 2.74 | 2.92 | 3.23 | 4.27 | 3.93 | 3.06 | 2.88 |
| 2 | 3.29 | 2.74 | 2.92 | 3.23 | 4.27 | 3.93 | 3.06 | 2.88 |
| 1 | | | Stock Exchange Closed | | | | | |
| Aug. 29 | 3.29 | 2.73 | 2.91 | 3.23 | 4.29 | 3.93 | 3.06 | 2.88 |
| 22 | 3.30 | 2.75 | 2.92 | 3.24 | 4.29 | 3.93 | 3.06 | 2.90 |
| 15 | 3.29 | 2.75 | 2.90 | 3.24 | 4.28 | 3.92 | 3.06 | 2.90 |
| 8 | 3.28 | 2.74 | 2.89 | 3.24 | 4.26 | 3.91 | 3.06 | 2.89 |
| 1 | 3.29 | 2.74 | 2.89 | 3.25 | 4.27 | 3.91 | 3.06 | 2.89 |
| July 25 | 3.29 | 2.75 | 2.89 | 3.25 | 4.27 | 3.91 | 3.06 | 2.90 |
| 18 | 3.30 | 2.74 | 2.90 | 3.26 | 4.28 | 3.93 | 3.06 | 2.90 |
| 11 | 3.30 | 2.74 | 2.90 | 3.27 | 4.28 | 3.93 | 3.07 | 2.90 |
| 3 | 3.31 | 2.75 | 2.92 | 3.28 | 4.29 | 3.94 | 3.08 | 2.91 |
| June 27 | 3.31 | 2.75 | 2.92 | 3.29 | 4.29 | 3.93 | 3.09 | 2.92 |
| 20 | 3.33 | 2.76 | 2.93 | 3.30 | 4.31 | 3.94 | 3.09 | 2.94 |
| 13 | 3.34 | 2.77 | 2.95 | 3.31 | 4.31 | 3.94 | 3.10 | 2.96 |
| 6 | 3.35 | 2.79 | 2.97 | 3.32 | 4.33 | 3.96 | 3.12 | 2.99 |
| May 29 | 3.37 | 2.82 | 2.99 | 3.33 | 4.34 | 3.96 | 3.13 | 3.02 |
| 23 | 3.37 | 2.81 | 2.98 | 3.34 | 4.33 | 3.96 | 3.13 | 3.01 |
| 16 | 3.37 | 2.82 | 2.99 | 3.34 | 4.32 | 3.95 | 3.14 | 3.02 |
| 9 | 3.36 | 2.81 | 3.00 | 3.34 | 4.30 | 3.94 | 3.14 | 3.01 |
| 2 | 3.37 | 2.80 | 3.01 | 3.35 | 4.32 | 3.95 | 3.14 | 3.02 |
| Apr. 25 | 3.38 | 2.82 | 3.02 | 3.36 | 4.33 | 3.96 | 3.15 | 3.05 |
| 18 | 3.40 | 2.83 | 3.03 | 3.37 | 4.35 | 3.97 | 3.16 | 3.06 |
| 10 | 3.41 | 2.83 | 3.05 | 3.38 | 4.36 | 3.97 | 3.18 | 3.07 |
| 4 | 3.39 | 2.81 | 3.04 | 3.38 | 4.31 | 3.94 | 3.17 | 3.05 |
| Mar. 28 | 3.40 | 2.83 | 3.05 | 3.39 | 4.34 | 3.97 | 3.18 | 3.07 |
| 21 | 3.38 | 2.80 | 3.01 | 3.36 | 4.36 | 3.97 | 3.46 | 3.02 |
| 14 | 3.38 | 2.78 | 2.99 | 3.36 | 4.38 | 3.97 | 3.17 | 2.99 |
| 7 | 3.39 | 2.78 | 2.99 | 3.37 | 4.40 | 3.99 | 3.17 | 3.00 |
| Feb. 28 | 3.40 | 2.79 | 3.01 | 3.38 | 4.43 | 4.01 | 3.18 | 3.02 |
| 21 | 3.42 | 2.80 | 3.02 | 3.39 | 4.45 | 4.03 | 3.19 | 3.02 |
| 14 | 3.40 | 2.77 | 3.00 | 3.38 | 4.44 | 4.01 | 3.19 | 3.00 |
| 7 | 3.38 | 2.76 | 2.99 | 3.37 | 4.40 | 3.97 | 3.18 | 2.99 |
| Jan. 31 | 3.37 | 2.75 | 2.97 | 3.37 | 4.37 | 3.95 | 3.18 | 2.97 |
| 24 | 3.36 | 2.77 | 2.96 | 3.36 | 4.36 | 3.93 | 3.17 | 2.98 |
| 17 | 3.36 | 2.74 | 2.96 | 3.36 | 4.38 | 3.96 | 3.16 | 2.96 |
| 10 | 3.36 | 2.74 | 2.94 | 3.36 | 4.39 | 3.96 | 3.16 | 2.95 |
| 3 | 3.37 | 2.73 | 2.93 | 3.37 | 4.43 | 4.01 | 3.16 | 2.93 |
| High 1941 | 3.42 | 2.84 | 3.06 | 3.39 | 4.47 | 4.03 | 3.20 | 3.08 |
| Low 1941 | 3.28 | 2.72 | 2.89 | 3.23 | 4.25 | 3.90 | 3.06 | 2.88 |
| High 1940 | 3.81 | 3.06 | 3.19 | 3.78 | 5.24 | 4.68 | 3.42 | 3.36 |
| Low 1940 | 3.35 | 2.70 | 2.90 | 3.35 | 4.42 | 4.00 | 3.12 | 2.91 |
| 1 Year Ago— Sept. 16, 1940 | 3.52 | 2.82 | 3.02 | 3.54 | 4.70 | 4.26 | 3.20 | 3.11 |
| 2 Years Ago— Sept. 16, 1939 | 3.94 | 3.25 | 3.50 | 4.05 | 4.95 | 4.55 | 3.70 | 3.56 |

* These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages, the latter being the true picture of the bond market.

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## "JOTTINGS"

*(Continued from First Page)*

office-buildings and refineries from oil to coal and done much to persuade other large fuel oil consumers to the same step. They are spending $250,000 of their own cash for direct advertising programs to spread the gospel of gasoline conservation, not counting the use of their own regular advertising programs in periodicals and on the air for this purpose. The tankers currently being completed are mostly for private company account, later to be followed by the 87 tankers now on order for the Maritime Commission, almost all from Sun Shipbuilding.

**Four tankers a month are now exepected to be commissioned until next April, when the rate will step up, and these tankers are of so much greater capacity that by April the equivalent of the 50 diverted tankers will have been commissioned.**

Other side-lights. The ancient oil company versus railroad quarrel was bound to come out. The companies have never forgiven the railroads for balking their original tank car designs and then trying to stop pipe-line construction. Twenty-four out of 25 railroads approached last year for pipe-line right of way refused. No love is lost between the companies and Mr. Pelley.

The gasoline retailers first kicked over the 7 - to - 7 curfew, claiming it increased unit overhead costs; using that as one reason for disregarding OPA's "ceilings," then found it actually saved overhead and now want to continue it.

No one seems to have brought up the point, a natural for the coal companies, that petroleum products ought not to be burned anyway for fuel, ought to be conserved for internal combustion, and that an opportunity was here presented to push the heating business back to the depressed coal industry.

**The oil companies have answered Thurman Arnolds' request for figures but withheld answers to his request for their reasons for advertising. They think Question No. 8 is a fishing expedition to help Arnold's Mother Hubbard case by finding out in advance the oil companies' arguments on the charge of false or unfair branding. So if Arnold will play ball he can have the answers, otherwise they go in the wastebasket.**

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SPAB's veto of the pipe line and of Tennessee Eastman request for authority to build a plastics plant seem in line with the rejected Gano Dunn recommendations on steel expansion. Dunn opined that steel capacity expansion should be limited because it takes steel to make steel.

Incidentally the SPAB pipe-line and Eastman decision might be used in the St. Lawrence power project argument. Apart from the cost and the vulnerability to bombing, the question is whether the materials and men can be spared now for St. Lawrence.

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Opinion appears likely to change over whether, with SPAB, the President has again dodged the need of a defense czar. SPAB seems to be a true centralized policy-making and "priorities-allocating" body with Nelson likely to come into focus soon as a czar as effective as Baruch was or even more so -- and we are not in the war.

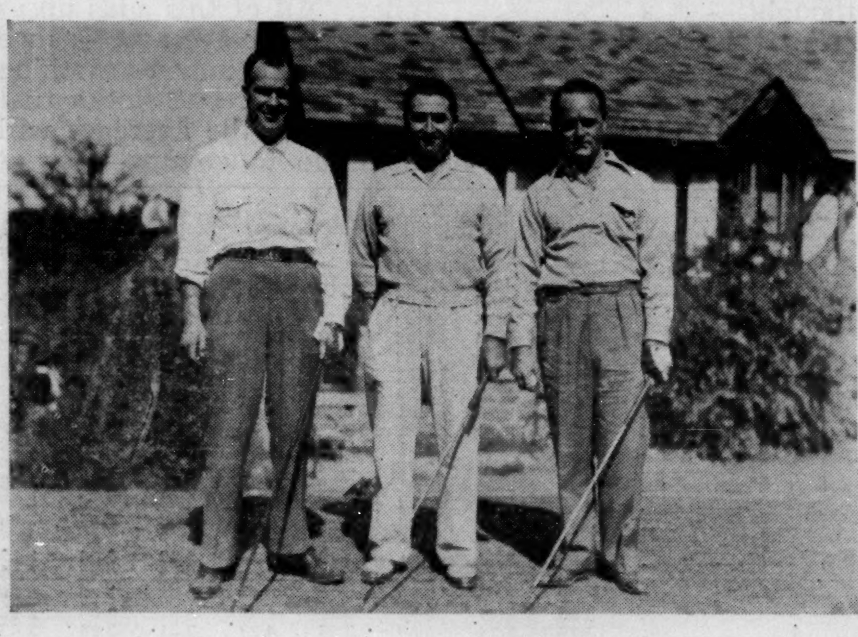
Recent piece-meal additions to the power of defense authorities add up bigger than most realize. For example Priorities Regulation No. 1 makes acceptance of defense orders manatory. This can upset scheduling and programming in such mass-production in-

*(Continued on Page 208)*

# Security Traders Association Of New York

## Holds Annual Outing At Hummocks Country Club

Oliver Kimberly, *J. K. Rice, Jr. & Co.;* Edward Roach, *H. G. Bruns & Co.;* George Hunt, *Starkweather & Co.;* John Rocamora, *Wertheim & Co.;* Henry Bruns, *H. G. Bruns & Co.*

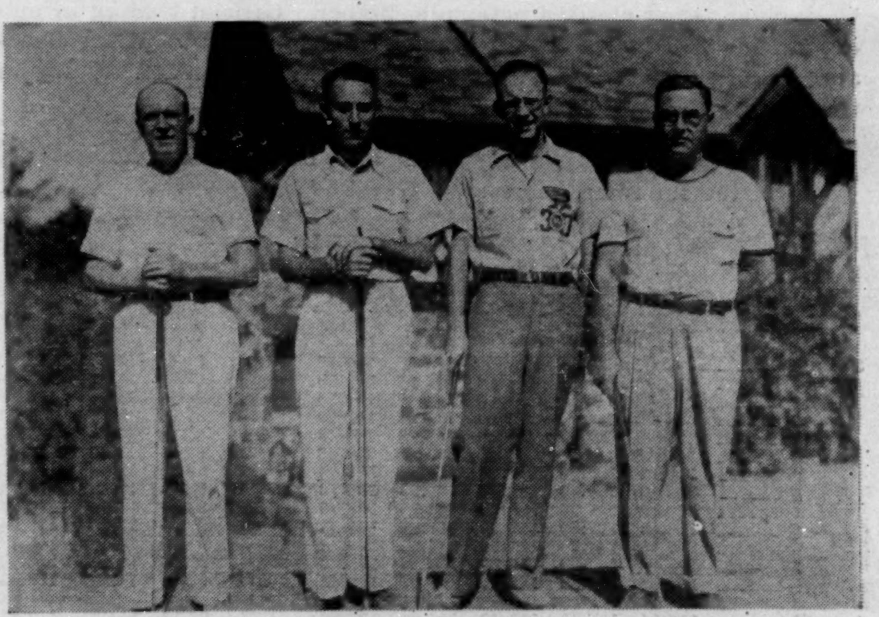


Edwin Fullarton Peet, *Ashplant & Co.;* Max Bauysh, *Ernst & Co.;* Charles E. Kimbell, Jr., *A. E. Ames & Co.*

Charles W. Goodeve, *F. B. Ashplant & Co.;* Michael J. Heaney, *Joseph McManus & Co.;* G. W. Kirtland, *E. H. Rollins & Sons, Inc.*

Herbert M. May, *Herbert M. May & Co.;* Charles F. Boos, *National Quotation Co.*

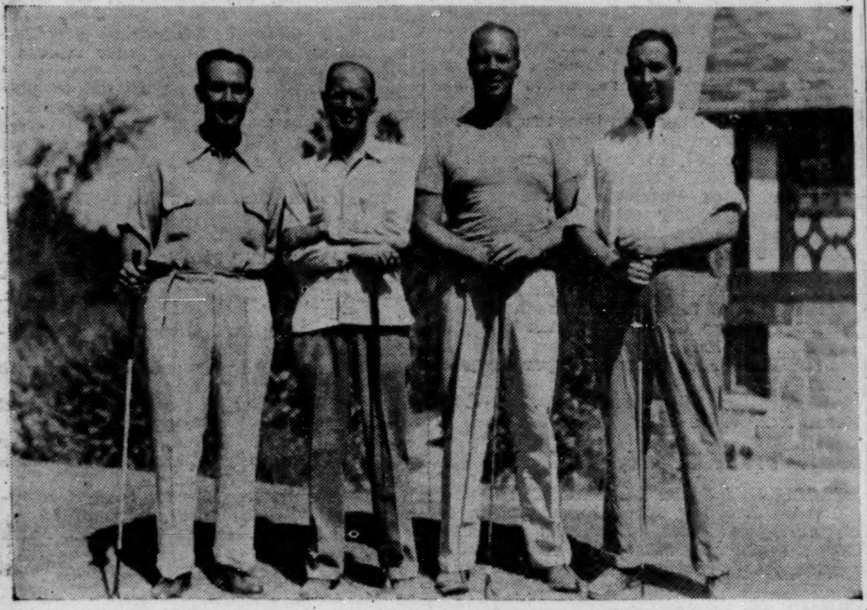
John B. Cornell, Jr., *Roggenburg & Co.;* Allen C. DuBois, *Wertheim & Co.;* Victor Brady, *A. G. Edwards & Sons;* Milton Steinbach, *Wertheim & Co.*



R. Sims Reeves, *Sutro Bros. & Co.;* Bill Schoonover, *Schoonover, deWilllers & Co.;* Bill Erickson, *W. E. Burnett & Co.;* Chet deWilliers, *Schoonover, deWilliers & Co.*

Robert Maxfield, *R. E. Swart & Co., Inc.;* John French, *A. C. Allyn & Co., New York;* Thompson M. Wakeley, *V.-P., A. C. Allyn & Co., Inc., Chicago, Ill., Pres. Chicago Bond Club*

Joe Lann, *M. S. Wein & Co.*; S. H. Junger, *S. H. Junger & Co.*; Mortimer Gartman, *Josephthal & Co.*; Tom Moore, *H. Hertz & Co.*



Hal Murphy, *"Financial Chronicle"*; Joe Monahan; Ted Plumridge, *J. Arthur Warner & Co.*; Ed McGrath, *Continental Illinois Bank of Chicago*

NEW YORK YANKEES ?

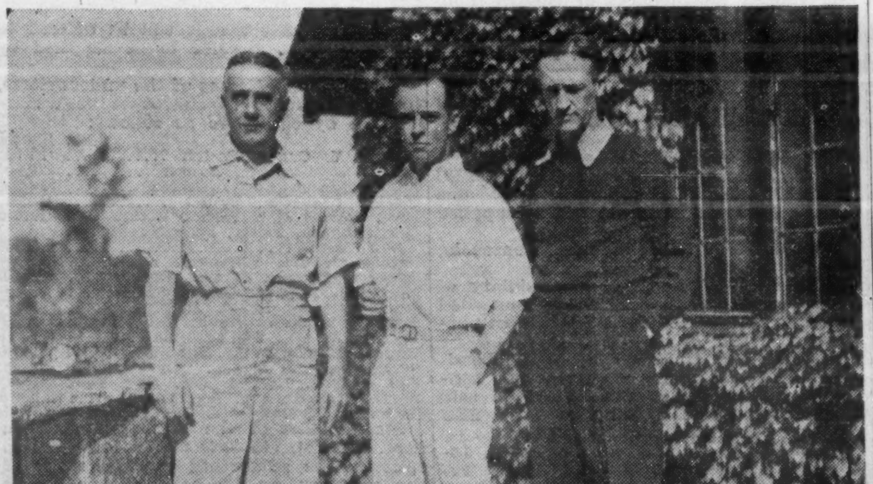
Charles Hartley, *Bankers Trust Co.*; Michael Heaney, *Joseph McManus & Co.*; George Kirtland, *E. H. Rollins & Sons, N. Y.*

Bill Kumm, *Dunne & Co.*; Lou Gibbs, *Laird, Bissell & Meeds*; S. Watson Maxwell, Jr., *J. F. Reilly & Co.*

Arthur Hawley, *Harris, Upham & Co.*; Joe Titolo, *Harris, Upham & Co.*; Bill Wittich, *Bond & Goodwin*; Jack Blockly, *Harris, Upham & Co.*

TRADERS N.Y.
TRADERS N.Y.
TRADERS N.Y.

BROOKLYN DODGERS ? ?



William H. Boggs, *Frank B. Cahn & Co., Baltimore*; Joseph C. Eagan, *Frank C. Masterson & Co.*; Frank M. McCall, *J. W. Sparks & Co.*

John J. O'Kane, *John J. O'Kane & Co.; Chairman of the Entertainment Comm.*

Walter F. Saunders, *Dominion Securities Corp.; Pres. N. Y. Security Traders Association*

## Coffin & Ralph Now With Amott Baker Co.

SCHENECTADY, N. Y.—Edwin F. Coffin who formerly conducted his own investment business here is now associated with Amott, Baker & Co., Inc., whose main office is located at 150 Broadway, New York City. C. J. Ralph, heretofore with Mr. Coffin, is also now with Amott, Baker & Co.

## "Sleeper" Looks Good

International Railways of Central America Purchase Money 5s of 1972 are particularly attractive at this time as a "sleeper" of bank quality yielding 6.9%. according to a circular prepared by A. O. Van Suetendael, 15 North Broadway, Yonkers, N. Y. Copies of the circular which should be of interest to dealers may be obtained from Mr. Van Suetendael on request.

# Calendar of New Security Flotations

## OFFERINGS

### EDISON BROTHERS STORES, INC.

Edison Brothers Stores, Inc., registered with the SEC 30,000 shares 5% cumulative convertible (until Sept. 15, 1950) preferred stock, $50 par; 66,666 shares of $2 par common stock, to be reserved for issuance upon conversion of the preferred; and Common Stock Scrip issuable in lieu of fractional shares of common stock upon conversion of the preferred stock.

**Address**—710 N. Twelfth Blvd., St. Louis, Mo.

**Business**—Company and subsidiaries engaged in merchandising at retail through a chain of stores, women's dress shoes, sport and play shoes, hosiery and handbags, operating 152 retail stores located in 87 cities in 31 states and the District of Columbia

**Offering**—The preferred stock to be offered to public, at price to be supplied by amendment

**Underwriters**—All of St. Louis, Mo., unless otherwise noted, and number of shares underwritten, are as follows:

| | No. Shares |
|---|---|
| G. H. Walker & Co. | 9,700 |
| Bacon, Whipple & Co., Chicago | 6,000 |
| Bodell & Co., Inc., Providence | 3,000 |
| Francis, Bro. & Co. | 2,000 |
| Alex. Brown & Sons, Baltimore | 2,000 |
| Newhard, Cook & Co. | 1,000 |
| Stifel, Nicolaus & Co., Inc. | 1,000 |
| Stix & Co. | 1,000 |
| Courts & Co., Atlanta | 800 |
| Crago, Smith & Canavan | 500 |
| Reinholdt & Gardner | 500 |
| I. M. Simon & Co. | 500 |
| Stern Bros. & Co., Kansas City | 500 |
| Friedman, Brokaw & Samish | 500 |
| Edward D. Jones & Co. | 500 |
| Whitaker & Co. | 500 |

**Proceeds**—Will be used for general corporate purposes.

**Registration Statement** No. 2-4831. Form A-2. (9-6-41)

### MORGANTON FURNITURE COMPANY

Morganton Furniture Co. registered with SEC 1,875 shares 6% cumulative preferred stock, $100 par, and 25,000 shares common stock, $2.50 par

**Address**—Morganton, N. C.

**Business**—Engaged in the manufacture of furniture

**Underwriters**—R. S. Dickson, Co., Inc., Charlotte, N. C., 1,075 shares preferred, 15,000 shares common; Stein Bros. & Boyce, Baltimore, 550 preferred, 7,500 shares common; Interstate Securities Corp., Charlotte, 250 preferred, 2,500 common

**Offering**—The preferred and common stock registered are to be offered to the public for the account of three selling stockholders who are to receive the proceeds from sale thereof. The preferred was offered to the public at $102 per share, and the common stock at $17.75 per share

**Registration Statement** No. 2-4822 Form A-2. (8-25-41)

**Effective**—Sept. 9, 1941, 4:45 p.m. E.S.T.

### SNAP-ON TOOL CORPORATION

Snap-On Tools Corp. registered with SEC 41,439 shares $1 par common stock

**Address**—8028 28th Ave., Kenosha, Wis.

**Business** — Manufacture, purchase and sale of mechanics' hand tools and associated equipment and equipment type tools designed for use for production, maintenance and repair of mechanical apparatus

**Underwriter**—Paul H. Davis & Co., Chicago and associates

**Proceeds**—$112,000 of the proceeds to be used to redeem all the outstanding 7% preferred stock of company, at $105 per share; balance for working capital

**Offered**—To public at $12 per share.

**Registration Statement** No. 2-4796. Form A-2. (7-15-41)

**Effective**—Sept. 13, 1941 at 1:15 P.M., E.S.T.

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***Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the dates on which the registration statements will in normal course become effective, that is twenty days after filing except in the case of the securities of certain foreign public authorities which normally become effective in seven days.***

***These dates, unless otherwise specified, are as of 4:30 P.M. Eastern Standard Time as per rule 930(b).***

***Offerings will rarely be made before the day following.***

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## TUESDAY, SEPT. 23

### BUFFALO FORGE COMPANY

Buffalo Forge Co. registered with SEC 115,120 shares of common stock, $1 par

**Address**—490 Broadway, Buffalo, N. Y.

**Business**—Manufacture and sale of blowers and fans and equipment for use in fields of heating, ventilating, air conditioning and of removal of fumes and dust created in manufacturing operations; machine tools; and equipment employed in sugar factories and refineries and coffee and rice plantation machinery

**Underwriter**—Hornblower & Weeks, New York, is named principal underwriter; names of other underwriters to be furnished by amendment

**Offering**—Of the shares registered, 100,000 are issued and outstanding and are to be offered to the public for account of two selling stockholders; remaining 15,120 shares are to be offered for account of company. Offering price by amendment

**Purpose**—Net proceeds to company from sale of the 15,120 shares unissued common stock will be applied to reimburse its treasury for expenditure in Aug. 1941, of $246,058 in connection with purchase of outstanding 2,305 shares company's 7% preferred stock, $100 par, or to be used for other corporate purposes

**Registration Statement** No. 2-4828. Form A-2. (9-3-41)

### PUEBLO MINING COMPANY

Pueblo Mining Co. registered with SEC 1,500,000 shares 1 Cent Par Value Assessable Common Stock

**Address**—Spokane, Wash.

**Business**—Mining

**Underwriter**—No underwriter named.

**Offering**—To be offered to public at 2 cents per share

**Proceeds**—Will be used for development, purchase of equipment, building, and working capital

**Registration Statement** No. 2-4829. Form AO-1. (9-3-41) (San Francisco)

## THURSDAY, SEPT. 25

### BLACK HILLS POWER & LIGHT CO.

Black Hill Power & Light Co. registered with SEC $2,115,000 First Mortgage Bonds, Series A, due 1971; 9,400 shares 5% cumulative preferred stock, $100 par; and 100,000 shares common stock, $1 par

**Address**—Rapid City, S. D.

**Business**—Incorporated in South Dakota on Aug. 27, 1941, for purpose of continuing business and operations of the Dakota Properties of General Public Utilities, Inc., and the business and operations of the Dakota Power Properties of the Dakota Power Co. Engaged in generation, transmission, distribution and sale of electricity, in 12 communities in western South Dakota, and various unincorporated communities and rural areas.

**Offering**—The bonds are to be sold to Dillon, Read & Co. at 103¼ and in turn will be resold by latter to Equitable Life Assurance Society of the U. S. at 103¾. The preferred stock and an undetermined number of shares of common stock are to be issued to General Public Utilities, Inc., in part payment for the so-called Dakota Power Properties to be acquired from that company and Dakota Power Co. The remaining shares of common stock, as well as the preferred and common stock to be received by General Public Utilities, Inc., will be offered to the public

**Proceeds**—To company from sale of the bonds and common stock will be used to pay General Public Utilities, Inc., and Dakota Power Co. the balance of the consideration for the properties to be acquired. Balance of net proceeds will be added to working capital.

**Registration Statement** No. 2-4832. Form A-2. (9-6-41)

### SOUTHEASTERN INDIANA POWER CO.

Southeastern Indiana Power Co. registered with SEC 2,000 shares 6% cumulative preferred stock, $100 par

**Address**—Rushville, Ind.

**Business**—A public utility company engaged in transmitting, distributing and selling electricity in southeastern Indiana

**Offering** — The preferred stock will be offered to public at a price to be supplied by amendment

**Underwriter**—Central Republic Co., Inc., Chicago, is sole underwriter

**Proceeds**—From sale of the 2,000 shares preferred stock, together with aggregate of $1,152,280 to be received by company from sale of other securities ($650,000 4% first mortgage bonds to an insurance company, $350,000 Serial Guaranteed Debentures to a bank and an insurance company, and 12,500 shares $10 par common stock) are to be applied by company to acquire all the outstanding capital stock and funded indebtedness of Hoosier Public Utility Co. and for other corporate purposes

**Registration Statement** No. 2-4830. Form A-2 (9-6-41)

## SATURDAY, SEPT. 27

### GULF POWER COMPANY

Gulf Power Co. registered with SEC $5,600,000 First Mortgage Bonds, due Sept. 1, 1971. Interest rate will be supplied by amendment

**Address**—8-10 N. Palafox St., Pensacola, Fla.

**Business** — An operating subsidiary of Commonwealth & Southern Corp., engaged in northwestern portion of Florida in purchase and sale of electricity and gas

**Offering and Underwriting** — The bonds will be sold to public at price to be supplied by amendment. Bonds will be sold under competitive bidding rule of SEC Names of underwriters by amendment

**Proceeds**—From sale of the bonds, together with $250,000 in cash to be received from Commonwealth & Southern Corp., will be applied as follows: redemption at 103½ of $2,500,000 5% First and Refunding Mortgage bonds, due 1968; redemption of so much of the $3,100,000 of 4% First and Refunding Mortgage bonds as may have been issued to the RFC; and balance to be used for additions and improvements to company's electric utility plant.

**Registration Statement** No. 2-4833. Form A-2. (9-8-41)

### MISSISSIPPI POWER COMPANY

Mississippi Power Co. registered with SEC $8,927,000 First Mortgage Bonds, due Sept. 1, 1971. Interest rate to be supplied by amendment

**Address**—2500 14th St., Gulfport, Miss.

**Business**—A subsidiary of Commonwealth & Southern Corp. this company is engaged within the southeastern portion of Mississippi, in the generation, purchase, distribution and sale of electricity at retail in 135 communities, rural areas, and sale at wholesale of electricity to 6 rural cooperative associations

**Offering and Underwriting**—The bonds will be offered to the public at a price to be supplied by amendment. The bonds will be sold under the SEC's competitive bidding rule, with underwriters to be supplied by amendment

**Proceeds**—From sale of the bonds, together with $250,000 in cash to be received from Commonwealth & Southern Corp., parent company, will be used (a) to redeem $6,177,500 of 1st & Ref. Mtge. 5s, 1955, at 103½ and accrued interest, (b) redemption of so much of the $2,750,000 of 1st & Ref. Mtge. 4s of 1951 as may have been issued to the RFC, at 100 and accrued interest, and (c) to construction of additions and improvements to company's electric plant.

**Registration Statement** No. 2-4834. Form A-2. (9-8-41)

## MONDAY, SEPT. 29

### AMERICAN TELEPHONE & TELEGRAPH COMPANY

American Telephone & Telegraph Co. registered with SEC $90,000,000 Thirty-Five Year 2¾% Debentures, due Oct. 1, 1976

**Address**—195 Broadway, New York, N. Y.

**Business**—Principal business of company and its operating telephone subsidiaries is that of furnishing communication services, mainly telephone service. In addition, Western Electric Co., Inc., a subsidiary, is engaged principally in manufacture of telephone apparatus and equipment

**Underwriter and Offering**—The bonds will be sold to underwriters under the new competitive bidding rule of the SEC's Public Utility Holding Company Act, Rule U-50. Names of underwriters, and price to public, will be filed by post-effective amendment to the registration statement

**Proceeds**—Plus additional cash, will be used to redeem on Nov. 1, 1941, company's $94,306,000 of 20-Year Sinking Fund 5½% Debentures, due Nov. 1, 1943

**Registration Statement** No. 2-4836. Form A-2 (9-10-41)

### DEVOE & RAYNOLDS CO., INC.

Devoe & Raynolds Co., Inc., registered with SEC 29,000 shares 5% Cumulative Preferred Stock, $100 par

**Address**—787 Fifth Ave., New York, N. Y.

**Business**—Principal business of company and subsidiaries is manufacture, sale and distribution of diversified line of exterior, interior and industrial paints, varnishes, lacquers, enamels, synthetic resins, artists' colors and materials, paint brushes and other products incidental to the paint and varnish industry

**Underwriter**—Shields & Co., New York, is named principal underwriter; others to be named by amendment

**Offering** — To be offered to public, at price to be supplied by amendment

**Proceeds** — $1,028,100 to redemption on Jan. 1, 1942 at $115 per share and accrued dividends, of outstanding 8,940 shares 7% cumulative preferred stock, $100 par; $1,755,250 to redemption on Dec. 1, 1941, at 103¼ and accrued interest, of outstanding $1,700,000 of Fifteen-Year 4¼% Sinking Fund Debentures, due June 1, 1953; and balance for working capital

**Registration Statement** No. 2-4835. Form A-2 (9-10-41)

## TUESDAY, SEPT. 30

### HYGRADE SYLVANIA CORP.

Hygrade Sylvania Corp., registered with SEC 100,000 shares no par common stock

**Address**—60 Boston St., Salem, Mass.

**Business**—Manufacture and sale of electric incandescent lamp bulbs, radio receiving tubes, fluorescent lamps and fixtures and related products

**Offering**—The shares will be offered to the public, at a price to be supplied by amendment

**Underwriter**—Names of the underwriters, and the number of shares to be underwritten by each, are as follows:

| | No. Shares |
|---|---|
| Jackson & Curtis, Boston | 27,000 |
| White, Weld & Co., Boston | 21,000 |
| Lee Higginson Corp., Boston | 10,500 |
| Estabrook & Co., Boston | 10,000 |
| Hale, Waters & Co., Inc., Boston | 10,000 |
| Merrill Lynch, Pierce, Fenner & Beane, New York | 5,300 |
| Putnam & Co., Hartford | 3,300 |
| Graham, Parsons & Co., Boston | 1,500 |
| Mackubin, Legg & Co., Baltimore | 1,500 |
| Stein Bros. & Boyce, Baltimore | 1,50 |
| Whiting, Weeks & Stubbs, Inc., Boston | 1,500 |
| Yarnall & Co., Philadelphia | 1,500 |
| Minsch, Monell & Co., Inc., New York | 1,500 |
| Brush, Slocumb & Co., San Francisco | 1,000 |
| Van Alstyne, Noel & Co., New York | 1,000 |
| Wyeth, Hass & Co., Los Angeles | 1,000 |
| Herbert W. Schaeffer & Co., Baltimore | 900 |

Stockholders of the company voted on Sept. 16, 1941, to vote on the proposal to split up the authorized common stock of the company, on the basis of two shares for each share outstanding, so that the authorized common stock would be increased to 740,000 and the amount outstanding increased to 414,368 shares. The company now has outstanding 207,184 shares of no par value common stock

**Proceeds**—Will be added to working capital, which the company deems advisable to increase in view of developments in the manufacture and sale of products in the fluorescent lighting field and the radio tube field

**Registration Statement** No. 2-4837. Form A-2 (9-11-41)

## WEDNESDAY, OCT. 1

### INTERNATIONAL PAPER COMPANY

International Paper Co., registered with SEC 1,387,748 23/40 shares of common stock, $15 par value

**Address**—220 E. 42nd St., New York, N. Y.

**Business**—After the filing of registration statement, but prior to the time when it becomes effective, International Paper Co. will acquire all of the assets of International Paper & Power Co., including over 99% of the stock of International Paper Co. (New York, formed in 1898) in exchange for stocks, warrants and warrant scrip of company and assumption by company of all liabilities of International Paper & Power Co. After this acquisition of assets, a plan of consolidation of said International Paper Co. into the company will be presented for approval of Board of Directors and stockholders of said International Paper Co. and the company. Company was formed in New York on June 23, 1941. Principal operations of company and subsidiaries are conducted in the U. S., where they are engaged primarily in manufacture and sale of kraft paper and board (bleached and unbleached), groundwood specialty paper, book and bond papers, jute boards, corrugated containers, bags and allied products. Company also has substantial investments in Canadian subsidiaries

**Underwriter**—No commitment to take the shares registered has been made

**Offering**—1,347,748 23/40 shares are to be issued upon exercise of outstanding Common Stock Purchase Warrants, entitling each holder thereof to purchase one share common stock at $25 per share, expiring Sept. 26, 1942. Remaining 40,000 shares to be issued upon exercise of outstanding option held by Calvin A. Agar, entitling him to purchase such 40,000 shares at price of $15 per share, expiring Dec. 31, 1945

**Proceeds** — For general corporate purposes

**Registration Statement** No. 2-4838. Form A-2. (9-12-41)

## THURSDAY, OCT. 2

### BEACON BUILDING CORPORATION

Beacon Building Corp., Lucius Teter, et al, voting trustees of Beacon Building Corp., registered with SEC voting trust certificates for 109,084 shares $1 par common stock of Beacon Building Corp., Chicago, Ill.

**Address of Trustee**—135 S. LaSalle St., Chicago, Ill.

**Address of Beacon Building Corp.**—38 S. Dearborn St., Chicago, Ill.

**Business**—Beacon Building Corp. owns and operates an apartment building in Chicago. All outstanding common stock of company held by First National Bank of Chicago, as agent for voting trustees under voting trust agreement dated June 16, 1931

**Extension of Voting Trust**—The 103,084 shares of common stock of Beacon Building Corp. are subject to a Voting Trust Agreement which expired June 16, 1941. It is proposed to extend the agreement to June 16, 1951, through issuance of Voting Trust Certificates, subject of registration statement

**Registration Statement** No. 2-4840. Form F-1. (9-13-41)

## DATES OF OFFERING UNDETERMINED

**We present below a list of issues whose registration statements were filed twenty days or more ago, but whose offering dates have not been determined or are unknown to us.**

### AERONCA AIRCRAFT CORPORATION

Aeronca Aircraft Corp. registered SEC 30,000 shares of $1 cumulative convertible preferred stock, $15 par; 140,000 shares $1 par common stock; and 65,000 Stock Purchase Warrants

**Address**—Middletown Municipal Airport, Middletown, Ohio

**Business** — Design, development, manufacture sale and servicing of particular type of light airplanes, known as "Aeronca" planes, designed for commercial use

**Underwriters** — Bond & Goodwin, Inc., New York; Craigmyle, Rogers & Co., New York; and Whitney-Phoenix Co., Inc., New York, are underwriters for the preferred stock

**Offering** — The 30,000 shares preferred stock will be offered to public at $15 per share; underwriting commission is $2.25 per share. Of the common stock registered, 75,000 shares are reserved for issuance upon conversion of the preferred stock, and 65,000 shares are reserved for issuance upon exercise of the Warrants. Of the Warrants registered, 45,000 are to be exchanged by company with holders of a like amount of presently outstanding warrants, and the remaining 20,000 Warrants will be sold by company to underwriters at price of 10 cents per Warrant Such Warrants give holders right to purchase one share of common stock for each warrant, at prices ranging from $7 per share to $10 per share, with the warrants expiring Dec. 31, 1945

**Proceeds**—Net proceeds will be used to pay off outstanding indebtedness, for working capital purchase of equipment and machinery plant expansion

**Registration Statement** No. 2-4789. Form A-2. (6-27-41) Cleveland Ohio

**Effective**—11:30 A.M., E.S.T. August 15 as of 4:45 P.M., E.S.T., July 16, 1941

### AIRPLANE MANUFACTURING & SUPPLY CORP.

Airplane Manufacturing & Supply Corp., registered with SEC 69,000 shares common stock, $1 par

**Address**—Lockheed Air Terminal, Burbank, Cal.

**Business**—Purchase, service and sale of airplane equipment

**Underwriters**—G. Brashears & Co., Los Angeles, Cal.

**Offering**—The number of shares to be offered by the underwriter consists of the 69,800 shares currently registered with SEC, and 16,433 shares previously registered with the SEC. Such aggregate of 86,233 shares are already issued and outstanding and are to be offered to public for account of certain selling shareholders, to be offered to public at arbitrary prices to be determined by underwriter from time to time with regard to existing circumstances. Such offering price will not exceed 125% not be less than 110% of the highest bid price during the day of sale. Underwriting commission on the 86,233 shares of 25 cents per share

**Proceeds** will accrue to the selling stockholders

**Registration Statement** No. 2-4807. Form A-1. Filed (7-31-41) (San Francisco)

### AMERICAN BAKERIES CO.

American Bakeries Co. registered 15,000 shares Class B no par common stock

**Address**—No. 520 Ten Pryor St. Bldg., Atlanta, Ga.

**Business**—Manufacturing and distributing bakery products in souther states

**Underwriter**—None named

**Offering**—Stock will be offered to public at price to be filed by amendment

**Proceeds**—All proceeds will be received by L. A. Cushman, Jr., chairman of board of company, for whose account the stock will be sold

**Registration Statement** No. 2-4714. Form A-2. (3-28-41)

### AUTOMATIC TELEPHONE DIALER, INC.

Automatic Telephone Dialer, Inc. registered 75,000 shares of common stock, no par

**Address**—1201 East Grand Street, Elizabeth, N. J.

**Business** — Development of automatic telephone dialing devices

**Underwriter**—None. Stock will be sold through registered brokers and dealers

**Offering**—Public offering price, $3 per share, underwriting commission 75 cents per share

**Proceeds**—For engineering and development expenses and working capital

**Registration Statement** No. 2-4752. Form A-1. (5-5-41)

**Effective** but apparently deficient 4:45 P.M., E.S.T., May 24, 1941

### BEACON ASSOCIATES, INC.

Beacon Associates, Inc. registered SEC $500,000 6% Participating Sinking Fund Debentures, due July 1, 1971

Beacon Associates, Inc. interest rate on $500,000 Participating Sinking Fund Series A Debentures, due July 1, 1971, changed from 6% to 6½% per annum, according to amendment filed with SEC July 21, 1941

**Address**—216 Turks Head Bldg., Providence, R. I.

**Business**—Engaged in the small loan business in Rhode Island and Massachusetts

**Offering**—The Debentures will be offered to the public at 100 by F. L. Putnam & Co., Inc., Boston; underwriting commission is 15%, leaving net price to company of 85

**Underwriter**—F. L. Putnam & Co., Inc., Boston

**Proceeds**—Will be advanced to subsidiary for their working capital or will be used for payment of debt incurred on providing funds for advances to subsidiaries

**Registration Statement** No. 2-4790. Form A-2. (6-27-41)

**Effective**—3:00 P.M. E.S.T., August 22, as of July 17, 1941

### BEAR MINING AND MILLING COMPANY

Bear Mining and Milling Co. registered 153,145 shares of common stock, $1 par

**Address** — 513 Majestic Bldg., Denver, Colo.

**Business**—Mining and milling

**Underwriter**—None

**Offering**—Stock will be offered publicly at $1 per share, selling commission, 35%

**Proceeds** — For development equipment and operation mining property near Breckenridge, Colo.

**Registration Statement** No. 2-4571. Form A-1. (11-12-40)

### BONWIT TELLER, INC.

Bonwit Teller, Inc. registered 39,334 shares of 5½% cumulative convertible preferred stock, $50 par, and 131,202 shares of common stock, $1 par

**Address**—721 Fifth Avenue, New York City

**Business**—Operation of specialty store in New York City

**Underwriters**—To be filed by amendment

**Offering Terms** — Preferred and common will be publicly offered at prices to be filed by amendment, except that 106,202 common shares will be reserved for conversion of preferred

**Proceeds**—Stock will be sold by Atlas Corp. and the American Co., parents, and no proceeds will be received by the company

**Registration Statement** No. 2-4748. Form A-2. (4-30-41)

### BULLION, INC.

Bullion, Inc., registered [illegible] shares of $1 par 8% non-cumulative preferred stock and 110,000 shares of common stock, ten cent par

**Address**—1st Nat'l Bank Deadwood, South Dakota

**Business**—Gold mining

**Underwriter**—None

**Offering**—Preferred will be offered at $1 per share, and common at 10 cents per share

**Proceeds**—For development of mining properties, purchase of machinery and equipment, and working capital

**Registration Statement** No. 2-4763. Form A-O-1 (5-20-41)

**COLUMBIA GAS & ELECTRIC CORP.**

Columbia Gas & Electric Corp. registered $28,000,000 serial debentures, due 1942 to 1951, and $92,000,000 sinking fund debentures due 1961

**Address**—61 Broadway, N. Y. C.

**Business**—Public utility holding company

**Offering**—Both issues will be publicly offered at prices to filed by amendment

**Proceeds**—To redeem $50,000,000 Deb 5s, 1952; $4,750,700 Deb. 5s, due April 15, 1952; $50,000,000 Deb. 5s, 1961; to purchase $3,750,000 4% guaranteed serial notes due 1942-46 of Ohio Fuel Gas Co., a subsidiary, and $3,750,000 guaranteed serial notes of United Fuel Gas Co., a subsidiary, from the holders thereof; and to make a $3,402,090 capital contribution to Cinn., Newport & Covington Ry Co. to enable that Company to redeem its outstanding $3,303,000 1st & Ref. 6s, 1947

**Registration Statement** No. 2-4736. Form A-2. (4-10-41)

**COMPOSITE BOND FUND, INC.**

Composite Bond Fund, Inc., registered with SEC 32,500 shares $1 par common stock.

**Address**—601 Riverside Ave., Spokane, Wash.

**Business** — Open-end investment trust, limited to investments in bonds.

**Underwriting**—Murphey, Favre & Co., Spokane, Wash., is underwriter and distributor, purchasing said shares at the net asset value then in effect for distribution to public at such net asset value plus 8½%.

**Offering**—To be offered to the public at the then prevailing market price.

**Proceeds**—Will be used for investment purposes.

**Registration Statement** No. 2-4825 Form A-1. (8-28-41)

**HOUSTON LIGHTING & POWER CO.**

Houston Lighting & Power Co. registered with SEC an indeterminate number of shares of its common stock, no par. (Company has outstanding 500,000 shares of common stock, of which 499,987 shares are held by its parent National Power & Light Co., which latter company also holds options to purchase the remaining 13 shares of outstanding common stock of company).

**Address**—900 Fannin St., Houston, Tex.

**Business**—Company is an operating public utility company principally engaged in generating, transmitting, distributing and selling electricity at retail and wholesale, serving 150 communities and an extensive rural area in Texas, including cities of Houston and Galveston.

**Underwriter**—None.

**Offering** — No public offering contemplated initially. Company is advised by National Power & Light, that that company has filed with SEC a declaration under the Holding Company Act contemplating, initially, the exchange of common stock of company which National Power & Light owns, for the $6 preferred stock of National Power & Light Co. and also contemplating that if, upon termination of such proposed exchange plan, National Power & Light still holds as much as 5% of common stock of company, it will dispose of such holdings as promptly as shall be practicable in light of then market and other conditions and with the best interests of its security holders in mind. After such disposition, company will have ceased to be either a subsidiary or an affiliate of National Power & Light Co. or Electric Bond & Share Co.

**Registration Statement** No. 2-4827 Form A-2. (8-29-41)

**KENSINGTON MINES, INC.**

Kensington Mines, Inc. has filed a registration statement covering 565,000 shares of $1 par 6 per cent cumulative preferred stock and the same number of shares of 1 cent par common 35,000 shares of $1 par 6 per cent cumulative preferred shares previously sold to promoters at $1 and 1,320,000 shares of 1 cent common previously sold to promoters at 2.65 cents a share

**Address**—Seattle, Washington

**Business**—Mining and Milling

**Proceeds** — For property, construction development and working capital

**Underwriters**—Kressly and Campbell

**Registration Statement** No. 2-4697. Form A-1. (3-21-41)

**Effective**—4:45 P.M., E.S.T., April 9, 1941

**KIRKLAND GOLD RAND, LTD**

Kirkland Gold Rand, Ltd., registered with SEC, under refiling, 500,000 shares common stock $1 par

**Address**—360 St. James St., West, Montreal, Quebec, Canada

**Business**—Engaged in development, acquiring, holding, selling and operating gold, silver and other mineral mines. Company is still in the development stage

**Underwriters**—To be named by amendment

**Offering**—Above shares to be offered to public at $1.25 per share; underwriting commission is 43¾ cents per share.

**Proceeds**—For development, purchase of equipment and working capital

**Registration Statement** No. 2-4727. Form A-1. Refiled (6-16-41)

**LA CROSSE TELEPHONE CORP.**

La Crosse Telephone Corp. registered 32,080 shares of common stock, $10 par

**Address**—La Crosse, Wisconsin

**Business**—Telephone service to La Crosse, Wis.

**Underwriter**—Alex. Brown & Sons

**Offering**—All stock registered will be publicly offered at price to be filed by amendment, except that 2,406 shares will be sold to Central Electric & Telephone Co.

**Proceeds**—Stock registered is owned by parent company, Middle Western Telephone Co., which will donate a portion to La Crosse Telephone Corp. and latter will use proceeds to retire outstanding preferred stock

**Registration Statement** No. 2-4717. Form A-2. (3-29-41)

**LUKENS STEEL CO.**

Lukens Steel Co. registered with SEC 175,000 shares (estimated) common stock $10 par

**Address**—First Ave., Coatesville, Pa.

**Business**—Company is a non-integrated steel producer, and its principal business is manufacture of carbon and alloy hot rolled steel plates

**Underwriters** — Pistell, Wright & Co. Ltd., New York, named principal underwriter; others to be named by amendment

**Offering**—The 175,000 shares are already issued and outstanding and are to be offered to public for account of certain stockholders

**Proceeds** — Will accrue to the selling stockholders

**Registration Statement** No. 2-4799. Form A-2. (7-25-41)

**MISSOURI UTILITIES CO.**

Missouri Utilities Co. registered with SEC $3,150,000 First Mortgage Series A 3½% bonds, due June 1, 1971; 14,000 shares 5% cumulative preferred stock, $100 par; and 125,000 shares common stock, $1 par.

**Address**—Cape Girardeau, Mo.

**Business**—Engaged principally in generation, transmission, distribution and sale of electricity, in 56 communities in Missouri and two in Arkansas. Company is a subsidiary of Community Power & Light Co.

**Underwriter**—The bonds are not to be sold to public; they are to be sold by company to Dillon, Read & Co. for 104¼ and in turn to be sold to Equitable Life Assurance Society of the U. S. for 104¾. Names of underwriters of the 5% preferred stock and the common stock registered, will be supplied by amendment.

**Offering**—The 14,000 shares 5% preferred and 125,000 shares common stock are to be issued under a reclassification of outstanding capital stock of company. O the 5% preferred stock registered, 11,912 shares will be offered to public for account of company, and 2,088 shares will be offered to public for account of Community Power & Light Co. The 125,000 shares common stock will be sold to public for account of Community Power & Light Co.

**Proceeds**—To company from sale of the $3,150,000 of bonds and 11,912 shares of 5% preferred stock, will be used as follows: $2,811,200 to purchase for cancellation from Community Power & Light Co. that amount of company's outstanding Series A and D First Mortgage bonds; $1,111,385 to pay or purchase indebtedness owing by company to its parent and an affiliate, on open account and promissory notes; $420,000 to redeem company's outstanding 4,000 shares 7% preferred stock, $100 par, at 105 Balance of proceeds will be set aside for expenditure by company for property additions and improvements.

**Registration Statement** No. 2-4826 Form A-2. (8-29-41)

**MOORE-McCORMACK LINES, INC.**

Moore-McCormack Lines, Inc. registered 30,000 shares of $5 cumulative convertible preferred stock, $100 par, and 235,000 shares of common, $1 par

**Address**—5 Broadway, New York City

**Business**—Operation of vessels in South American trade

**Underwriters**—E. H. Rollins & Sons Incorporated and Schroder Rockefeller & Co., Inc.

**Offering**—The preferred and 85,000 common shares will be offered publicly at prices to be filed by amendment. 150,000 common shares will be reserved for conversion of the preferred

The proposed offering will represent about 17% of the outstanding common stock of Moore-McCormack Lines and approximately 55% of preferred stock. Albert V. Moore, president, and Emmet J. McCormack, vice president and treasurer—officers and directors associated with the company since its incorporation in 1927, retain together about 72% of the common stock, or 36% each. On Dec. 31, 1940, they sold to Kuhn, Loeb & Co., Beavan Corp. and Schroder Rockefeller & Co., Inc., 30,000 shares of $5 no par preferred stock and 2,150 shares of no par common which have since been converted into 30,000 shares of $100 par preferred and 107,500 shares of $1 par common. It is understood that Kuhn, Loeb & Co. are retaining 22,500 of such common shares as an investment

**Proceeds**—None of the proceeds will be received by the company

**Registration Statement** No. 2-4715. Form A-2 (3-29-41)

**NORTHERN NATURAL GAS CO.**

Northern Natural Gas Co. registered 710,500 shares of common stock, $20 par

**Address** — Aquila Court Bldg., Omaha, Nebraska

**Business**—Production and transmission of natural gas

**Underwriter**—Blyth & Co., and others to be named by amendment

**Offering**—Stock will be publicly offered at price to be filed by amendment

**Proceeds**—All proceeds will be received by selling stockholders, United Light & Railways Co., and North American Light and Power Co.

**Registration Statement** No. 2-4741. Form A-2. (4-21-41)

Northern Natural Gas Co. filed an amendment to its registration statement with the SEC, disclosing that the number of shares of its $20 par value common stock proposed to be offered to the public has been reduced from 710,500 shares to 355,250 shares. According to the amendment, such 355,250 shares are those that are presently owned, and outstanding, by North American Light & Power Co., and are to be offered to public for the account of American Light & Power Co.

The 355,250 additional shares orginally registered with the SEC on April 21, 1941, for public offering, but now withdrawn from registration, constitute the shares outstanding and owned by United Light & Railways Co., a subsidiary of United Light & Power Co.

**SENECA FALLS MACHINE CO.**

Seneca Falls Machine Co. registered with SEC 225,000 shares common stock $1 par

**Address**—314 Fall St., Senca Falls, N. Y

**Business**—Manufacture and sale of machine tools, principally automatic and semi-automatic lathes

**Underwriters**—Brown, Schlessman, Owen & Co., Denver, Colo., has underwritten all of the 225,000 shares, at $4 per share and has advised company that it proposes to sell to Burr & Co., New York, a 50% participation in said 225,000 shares, at the underwriters' price of $4 per share

**Offering**—The 225,000 shares will be offered to the public at $5 per share

**Proceeds**—The entire net proceeds will accrue to certain selling stockholders, who are selling such shares, already issued and outstanding, to the underwriter

**Registration Statement** No. 2-4806. Form A-2. Filed (7-31-41)

**SHAWNEE CHILES SYNDICATE**

Shawnee Chiles Syndicate registered 9,970 shares of common stock, $10 par

**Address** — 320 Denham Bldg., Denver, Colo.

**Business**—Development of oil and gas properties

**Underwriter**—None

**Offering**—4,985 shares are to be presently offered at $10 per share, and balance will be held reserved for options given to purchasers of the 4,985 shares, for purchase of additional shares at $10 per share

**Proceeds**—For drilling and development of oil and gas properties

**Registration Statement** No. 2-4753. Form A-1. (5-5-41)

**Effective** but apparently deficient 4:45 P.M., E.S.T., May 24, 1941

**SOUTHERN ACCEPTANCES, INC.**

Southern Acceptances, Inc. registered 150 shares $50 dividend Preferred stock no par, 20 shares Class A $60 dividend common stock, no par; and 30 shares Class B common stock, no par

**Address**—26 Wall St., Orlando, Fla.

**Business**—Discounting installment notes and making small loans

**Underwriter**—Leedy, Wheeler & Co., Orlando, Fla.

**Offering**—Preferred and Class A will be publicly offered at $1,000 per share Class B common at $1,100 per share Underwriting commission $50 on preferred and Class A, and $55 on Class B

**Proceeds**—To repay bank loans, and for working capital

**Registration Statement** No. 2-4570. Form A-2. (11-12-40)

**Effective**—Dec. 4, 1940

**TEXAMERICA OIL CORP.**

Texamerica Oil Corp. registered with SEC 119,891 shares common stock, $2 par.

**Address** — Milam Bldg., San Antonio, Tex.

**Business**—Engaged in production and marketing of crude oil, acquire mineral leasehold interests in producing or proven oil properties in Texas, drilling of oil wells thereon, acquire royalty interests in proven and developed oil properties.

**Underwriter**—Willard York Co., San Antonio, Tex., has agreed to purchase 44,750 shares at $1.75 per share and 74,157 shares at $2, from company.

**Offering**—118,907 shares to be offered to public at $2.375 per share; remaining 984 shares registered constitute shares issued July 1, 1941, by company, as dividends.

**Proceeds**—Will be used to pay outstanding mortgage indebtedness ($200,000), and remaining $26,626 will be added to working capital

**Registration Statement** No. 2-4824 Form A-1. (8-27-41)

**TOMASINI BRIDGE REVENUE BONDS**

T. A. Tomasini, an individual, registered with SEC $20,000,000 of 3% Tomasini Bridge Revenue Bonds, due Aug. 1, 1970

**Address**—25 California St., San Francisco, Cal.

**Business**—Holds a franchise to build, maintain and operate a tube and toll bridge across San Francisco Bay from Alameda County, near Point Fleming, to Marin County near Bluff Point, both in California. The Obligor—T. A. Tomasini—also has secured necessary approval of plans, permits and authority to construct the bridge from War Department of the United States, and proposes to proceed with construction of the project. Project expected to be completed by June 27, 1944

**Underwriting and Offering**—The Obligor proposes to advertise for bids for all or part of the bonds by inserting a notice to that effect in one or more newspapers of general circulation in the city and county of San Francisco, and in New York City. There will be no underwriting

**Proceeds** will be used to construct, operate and maintain the tube and toll bridge

**Registration Statement** No. 2-4815. Form A-1. (8-15-41)

**TRAILER COMPANY OF AMERICA**

Trailer Co. of America registered with SEC 4,547 shares 7% cumulative preferred stock, $100 par, and 81,095 shares common stock, no par

**Address**—31st & Robertson Aves., Cincinnati, O.

**Business**—Manufacture, assembly, distribution and sale of commercial trailers and semi-trailers, trailer bodies, parts and equipment, truck bodies and cabs for tractors and trucks

**Underwriters**—None

**Offering**—The above shares to be offered by company to all its stockholders at price of $100 per share of 7% preferred and $8 per share for common through rights, at rate of 2½% share of 7% preferred and 5 shares of common stock for each share of 7% preferred stock held, and at rate of one share of common stock for each share of common stock held. Subscription rights evidenced by Warrants will expire on the thirtieth day after date of issue. Unsubscribed portion of the shares will be offered for sale, at same prices, to all stockholders. Any unsold shares then may be sold at same prices to general public

**Proceeds**—For plant extension, retirement certain bank loans, and for working capital

**Registration Statement** No. 2-4803. Form A-2. (7-29-41) (Cleveland)

**Effective**—Sept. 13 at 1:15 P.M., E.S.T.

**UNION LIGHT, HEAT AND POWER COMPANY**

Union Light, Heat and Power Co. registered 25,000 shares $100 par common stock

**Address**—4th & Main St., Cincinnati, Ohio

**Business** — Operating electric utility company

**Underwriter** — Columbia Gas & Electric Corp.

**Offering**—Stockholders will receive offer to subscribe to 25/94ths of one common share in units of 5/94ths of a share for each 5/94ths of a share held at $5.3 for each unit. On a share basis, stockholders may subscribe to 5 new share for each share held at $100.016 per share Substantially all outstanding stock is held by Columbia Gas & Electric Corp.

**Proceeds**—To repay current debt and $2,835,000 first mortgage bonds held by parent and associated companies, and for construction costs

**Registration Statement** No. 2-4379. Form A-2. (3-30-40)

**UNITED WHOLESALE DRUGGISTS OF PITTSBURGH, INC.**

United Wholesale Druggists of Pittsburgh, Inc., registered with the SEC 4,000 shares no par common stock

**Address**—6543 Penn Ave., Pittsburgh, Pa.

**Business**—Incorporated in Delaware on April 28, 1941, to engage in business of selling drug store merchandise

**Underwriting**—None

**Offering**—The 4,000 shares of common stock will be sold by the company direct to (exclusively) retail druggists, at $50 per share

**Proceeds**—Will be used for purchase of equipment, and for working capital

**Registration Statement** No. 2-4818 Form A-2. (8-22-41)

**VIRGINIA LAND CO.**

Virginia Land Co. registered warranty deeds representing interests in oil and gas lands in the Everglades, Florida, about 50 miles west of Miami

**Address**—Theatre Building, Coral Gables, Dade County, Florida

**Underwriters**—None

**Offering**—Interests will be sold to the public at prices from $20 per acre up to $150 per acre

**Proceeds** — For development of lands, purchase of equipment, and working capital

**Registration Statement** No. 2-4767. Form S-10 (5-23-41)

**WHITWORTH APARTMENT, INC.**

Whitworth Apartment, Inc., registered with SEC 5,950 shares common stock, 25 cents par $74,375 First Mortgage 5% bonds, due Sept. 1, 1951; and $74,375 Second Mortgage Income Bonds, 6% Non-Cumulative Interest, due Sept. 1, 1961

**Address**—311 Securities Bldg., Seattle, Wash.

**Business**—Incorporated on July 3, 1941 to acquire title to Whitworth Apartment, Seattle, Wash., and to own and operate said apartment

**Underwriters**—None

**Offering**—All of the securities registered will be offered under a Plan of Reorganization, to holders of 148,750 undivided fractional shares, latter represented by Certificates of Interest. Latter may be surrendered under the plan through Seattle-First National Bank, Seattle, Wash. Owner of each 25/148,750 fractional share will receive: (a) $12.50 par value of first mortgage bonds, $12.50 par value of second mortgage income bonds, and one share of capital stock of the new company

**Registration Statement** No. 2-4811. Form E-1. (8-8-41) (San Francisco, Cal.)

**WILLIAMS HYDRAULICS, INC.**

Williams Hydraulics, Inc. registered 1,000,000 shares $5 par Class A common stock

**Address**—Alameda, Cal.

**Business**—Deep-sea dredging and manufacture of equipment therefor

**Underwriters** — Brown Hartwell Company

**Offering**—Public offering price, $5 per share, underwriting commission, $1 per share

**Proceeds**—Purchase of plant and equipment; purchase of seagoing vessel; equipment, and working capital

**Registration Statement** No. 2-4133. Form A-1. (7-19-39)

**Effective**—May 29 as of April 18, 1940

## Odd-Lot Trading

The Securities and Exchange Commission on Sept. 8 made public a summary for the week ended Aug. 30, 1941, of complete figures showing the daily volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle odd-lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures, which are based upon reports filed with the Commission by the odd-lot dealers and specialists, are given below:

Stock Transactions for the Odd-Lot Account of Odd-Lot Dealers and Specialists on the New York Stock Exchange
Week Ended Aug. 30, 1941

| | Total For Week |
|---|---|
| Odd-Lot Sales by Dealers (Customers' Purchases) | |
| Number of Orders | 11,767 |
| Number of Shares | 304,731 |
| Dollar Value | 12,012,172 |
| Odd-Lot Purchases by Dealers (Customers' Sales) | |
| Number of Orders: | |
| Customers' short sales | 131 |
| Customers' other sales *a* | 12,751 |
| Customers' total sales | 12,882 |
| Number of Shares | |
| Customers' short sales | 3,753 |
| Customers' other sales *a* | 306,690 |
| Customers' total sales | 310,443 |
| Dollar Value | 9,530,374 |
| Round-Lot Sales by Dealers | |
| Number of Shares: | |
| Short sales | 0 |
| Other sales *b* | 89,160 |
| Total sales | 89,160 |
| Round-Lot Purchases by Dealers | |
| Number of Shares | 84,760 |

*a* Sales marked "short exempt" are reported with "other sales".

*b* Sales to offset customers' odd-lot orders, and sales to liquidate a long position which is less than a round lot are reported with "other sales".

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Barauga Sugar 6s, 1947
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## JOTTINGS

(Contiued from Page 204)

dustries as chemicals and automobiles, because future supplies can at any time be jeopardised by the insertion of defense orders in front of them.

With OPM scheduling of the movement of raw materials, private corporation from here on can hardly have any inventory policy of their own — or, in some cases any inventory they may call their own. Accumulations may be requisitioned, or just forced down by the cutting down of allocations until the owner has used up his accumulated inventory, while on the other hand the stockpiling program will soon make the government the only important owner of major commodity inventories.

---

With its latest ceiling, on anthracite prices, OPA and its "Daring Young Man on the Flying Pricees" (see current Satevepost for profile of Henderson) seem to have continued the record of making unnecessary enemies. The industry's mark-up was a seasonal one and, with wages 70 per cent of costs, brings prices only 8 per cent above last year with wages 12 per cent higher. At long last OPA has abandoned its misplaced "key price" theory sufficiently to post actual differentials in hide prices. On the other hand the word now is that OPA will force carded yarn prices below combed yarn, instead of adjusting combed yarns to allow for the sharp rise in cotton and per-pound wage costs since last May.

**OPA's chief headaches, however, will from here on be (a) in the waste and scrap industries, where price ceilings are embarassing collections, and (b) in imported commodities like burlap and tin, where ceilings do not fit prices at the source..**

---

National Defense Mediation Board seems to have hearkened to the reaction to its recommendation of "membership maintenance" at Kearney. The issue there is still unsettled, but meantime NDMB turned down the proposal in the Todd Galveston Drydock case.

Eagle Lock
R. Hoe Co.
Auburn Central Mfg. pfd.

•

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# High Grade Bond Suggestions

## Remington Rand Debentures Offer Attractive Yield Improved Position of the Company Warrants Quality Rating for New 3½s

The new Remington Rand debentures, which were offered in the latter part of July by Harriman Ripley at 103¾, are currently quoted at under 103 to yield about 3.25%. While by no means of prime institutional grade, the bonds should receive some serious consideration from individuals, due to the improved earnings position of the company and the relatively short term the bonds have to run — they mature in 1956.

Issued in the amount of $15,000,000, these 3½s, together with $3,000,000 of one to five year 1¾% bank loans plus about $925,000 of treasury cash, refund the previously outstanding 4¼s which were also due in 1956.

From the standpoint of sales volume, Remington Rand is the largest manufacturer of office machines and equipment in the world. Typewriters are the largest item in sales, these plus filing and visible indexing equipment accounting for roughly three-quarters of revenues. Other sales items include adding, tabulating and accounting machines (the latter two under the Powers trade name), loose-leaf equipment, office furniture, electric rasors, etc. As with most manufacturers of office machines and devices, foreign sales formerly bulked large, in this case representing about 35% of volume and contributing as much as 40% - 45% of net income.

**During several of the latter years of the 1930's, Remington Rand was beset by serious labor troubles which were reflected in reduced profit margins despite satisfactory gross revenues. Fortunately, this situation has become cleared up and the report for the 1940-1941 fiscal year showed that profit margins again had widened despite somewhat higher costs and a much larger tax bill.**

Sales of the company's products in the fiscal year ended March 31, 1941, of $49,174,000 were 14% ahead of the previous year despite the fact that export business contracted by 10%. The increase in general business activity occasioned by the defense program, plus direct demand from Government agencies accounted for the substantial increase over 1939-1940. Total income before depreciation and amortization allowances amounted to $7,927,000. Deducting $1,500,000 for depreciation and amortization, income available for interest totalled $6,427,000.

Maximum interest requirements on the 3½% debentures and the serial 1¾% bank loans previously referred to will be $577,500. Using this maximum amount of $577,500 in the interests of conservatism, the figure of $6,427,000 available for interest in the last fiscal year represents pro-forma coverage of 11.1 times. The average annual interest charges on the old 4¼s was $868,000, so that an annual interest saving of upwards of $300,000 will result through the recent refunding. The accompanying table shows pro-forma coverage on the 3½s and serial bank loans (overall) since 1936, using the maximum requirement of $577,500 previously referred to.

| Years ended March 31 | Total Income | Deprec. & Amort. | Available For Interest | X Earned |
|---|---|---|---|---|
| 1941 | $7,927,000 | $1,500,000 | $6,427,000 | 11.1 |
| 1940 | 4,570,000 | 956,000 | 3,614,000 | 6.2 |
| 1939 | 4,463,000 | 1,562,000 | 2,901,000 | 5.0 |
| 1938 | 7,705,000 | 1,564,000 | 6,141,000 | 10.6 |
| 1937 | 6,554,000 | 1,468,000 | 5,076,000 | 8.8 |
| 1936 | 5,830,000 | 1,449,000 | 4,381,000 | 7.6 |

In 1932 and 1933, the company reported losses before depreciation allowances. For this reason alone, the debentures cannot be considered in the same category with some of the outstanding industrial bonds of companies of a less cyclical nature. However the current trend in the industry points to even higher earnings due to continuing demand for labor saving office devices—nor is this all defense business, either, as will shortly be pointed out.

**The company's financial condition has been well maintained during the past several years. At the end of March, total current assets of $33,405,000 consisted of $7,444,000 in cash, receivables of $11,592,000 and inventories of $14,369,000. Cash alone exceeded current liabilities of $7,045,000, which included $854,000 of bank loans. Net working capital of $26,360,000 was equivalent to $1,750 of net current assets for each $1,000 debenture. This does not give effect to the approximately $925,000 cash withdrawn toward redemption of the 4¼s nor to the additional $3,000,000 of bank loans contracted subsequent to the March 31st balance sheet. These two transactions would, in effect, reduce the above-stated net current assets to $22,435,000—but still equivalent to $1,495 per $1,000 bond.**

A straight sinking fund provides for redemption of bonds beginning in 1946. The amount to be so redeemed in 1946 is $275,000, $555,000 in 1947, $575,000 in 1948 and so on to a maximum of $725,000 in 1955. By the end of 1955 (one year prior to maturity), $6,000,000 or 40% of the issue will have been retired. In addition, an earnings sinking fund applies, whereby the company agrees to pay to the Trustee on November 15, 1942, and on each November 15 thereafter, either (a) a sum sufficient to redeem $500,000 principal amount of bonds or (b) a sum equal to 22% of the amount by which the consolidated net income for the fiscal year next preceding the date of such payment exceeds $2,700,000, whichever of (a) or (b) is less. According to these provisions, earnings in the fiscal year ended last March would have required that $500,000 of bonds be retired; however, earnings for the current fiscal year will govern the sinking fund operation of November 15, 1942.

For the first quarter of the company's current fiscal year which ended June 30th, sales were $14,426,000, or 40% ahead of the same period last year. Commenting on operations of the first quarter, the president of the company stated that more than four-fifths of total profits represented domestic business as against previous periods when foreign business accounted for a great, and often major, portion of profits.

**Another important point stressed by the president at the same time was to the effect that the increase in the company's current profits is not due to defense contracts. He pointed out that an analysis showed that only $6,800 (out of $1,384,000) in the first (June) quarter represented profit on defense work, and that little if any profit was expected on defense orders for the entire year.**

Although not to be classed among the best issues, the bonds deserve to be rated among the better medium quality issues, and as such offer an attractive vehicle to the person looking for something offering a return considerably better than going money rates can offer. The present call price of 107½ stands until July 1, 1944, except for sinking fund operations which can call bonds at 105 up to the same date.

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## Trusteeing Pensions Better Than Insuring

Under present day conditions with their complex personnel problems, employers were advised on Sept. 8 by O. P. Decker, Vice President of the American National Bank and Trust Co. of Chicago, to carefully weigh the advantages of placing their pension fund plans in the hands of trust companies as against using insured group annuity contracts. Mr. Decker spoke before members of the trust development section of the Financial Advertisers Association at the organization's annual convention in Cleveland. Conrad A. Orloff, pension consultant, of the Chicago insurance organization of Marsh & McLenna, delivered the companion address on the subject and discussed the advantages of the insured annuity plan.

The private pension plan offers two all important advantages — flexibility and employee interest, Mr. Decker said. When employers have their own private plans, they can insert in them "all of the little quirks" they desire, such as the payment of interest on contributions of employees from the date they were received rather than from the beginning of the next calendar year

Discussing the investment side of private pension plans, Mr. Decker declared that no statute covering investments can be foolproof, but the amendments suggested by the IBA require careful investing of 75% of the funds in a trusteed pension plan and permit wide latitude with the balance, thereby enabling the trustee to perform an intelligent and less legalistic investing service.

Mr. Decker told his audience that he felt trust companies will be doing American industry a signal service by suggesting to employers that they carefully study the relative advantages and costs of trusteeing their pension plans rather than insuring them, and then engage the bank's investment department to perform the investment service.

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In 2 Sections — Section 2

The COMMERCIAL & FINANCIAL CHRONICLE

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WITH WHICH HAS BEEN COMBINED THE FINANCIAL REPORTER

Volume 154 Number 3982 New York, N. Y., Thursday, Septemer 18, 1941 Price 40 Cents a Copy

# Final Approval Of Tax Bill . .

## Expect $3,553,400,000 Yield

The compromise tax bill, as agreed on Sept. 15 by a joint Senate-House conference committee to yield an estimated $3,553,400,000 in new revenue, was approved by the House on Sept. 16 and by the Senate on Sept. 17 (by a voice vote in both instances) and is now before President Roosevelt awaiting his signature. The final version of the record-breaking defense tax bill will impose heavier income levies on both individuals and corporations and increase capital stock, estate and gift taxes and also raise the existing schedule of manufacturers and retailers excise taxes. The estimated yield of the bill of $3,553,400,000, as revised in conference, compares with a $3,216,000,000 measure passed by the House on Aug. 4 and with a $3,583,900,000 bill approved by the Senate on Sept. 5. On the basis of Treasury estimates the legislation is expected to yield (said Washington advices Sept. 16 to the New York "Journal of Commerce") $1,382,100,000 additional revenue from corporations, $1,144,600,000 more from individuals and $1,026,700,000 more from miscellaneous internal revenue.

In reporting the adoption of the conference report by the Senate, Associated Press accounts from Washington Sept. 17 said:

> Preceding the vote, Senator George, Democrat, of Georgia, Chairman of the Finance Committee, declared in debate that Senate members of a joint Senate-House conference committee had strongly insisted that an amendment exempting strategic metals industries from the excess profits tax be retained in the compromise legislation. He added, however, that the House conferees declined to accept the amendment, and it finally was knocked out.
>
> Senator Thomas, Democrat, of Utah, objected to the elimination of the exemption, saying it had been allowed in the past, and that a change in policy now might bring chaotic conditions.

In adopting, the conference report on Sept. 16; The House appoved with but little debate the Senate's action in lowering personal income tax exemptions from $2,000 to $1,500 for married persons and from $800 to $750 for single persons.

It was explained by Chairman Doughton (Dem.-N. C.) of the House Ways and Means Committee that since the House had reduced its own version by over $300,000,000, when it eliminated the mandatory joint income tax returns provision for married persons, this would have to be made up from other sources. With the lowered exemptions it is estimated that an additional

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**Paperboard mills activity placed at 98% during week ended Sept. 13; weekly production at 166,781 tons.**
**Page 215**

**Commodity Price Index of Fertilizer Association Rises to Highest Level Since April 1930.**
**Page 216**

**World Prices Steady**
**Page 216**

**Wholesale Commodity Prices Advanced During Week Ended Sept. 6 to Highest Level Since Early 1930.**
**Page 216**

**Steep output threatened by strike in captive coal mines. Production placed at 96.1% in week of Sept. 15.**
**Page 213**

**Daily average crude oil production reached 4,033,700 barrels in week ended Sept. 13.**
**Page 213**

**Loadings of revenue freight for the week ended Sept. 6, totaled 797,740 cars, an increase of 14.8% above year ago.**
**Page 212**

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## New York State Factory Employment Rose Over Three Per Cent From July To August

The factories of New York State employed 3.2% more workers in August than in July and payrolls rose 5.9% in the month. All eleven industrial groups participated in these gains said Industrial Commissioner Frieda S. Miller, who released this report on Sept. 11, and described these increases as the best of the year thus far. Not only did plants with defense orders continue to expand their operations this month, the commissioner said but firms making civilian goods reported abnormally large increases in forces and payrolls. As yet, there has been no marked curtailment in non-defense production at reporting factories in this State due to the priorities of material program or to shortages of labor. The effect of the summer vacation period, which usually results in reduced operation at many factories in the State during August, was not as pronounced this year as in former years according to the statement. Workers either sacrificed or delayed their vacations in order to speed the defense effort. Miss Miller's statement further said:

> Compared with August 1940, there were 30.9% more workers employed this August on a payroll that was 56.8% higher. Average weekly earnings, at $34.27, have risen 19.8% in the year. Wage rate increases were reported this month by airplane, firearms, brass, agricultural implement and rug concerns. Indexes of factory employment and payrolls, based on the 1925-27 average as 100, were 122.1 and 144.5 respectively.
>
> Preliminary tabulations, covering the reports of 2,332 representative factories throughout the State, form the basis for the statements made in this analysis. These firms employed 553,510 workers during the middle week of August on a payroll of $18,969,838. The Division of Statistics and Information, under the direction of Dr. E. B. Patton, is responsible for the collection, tabulation and analysis of these data.

(Continued on Page 211)

## To Our Readers:

Dictatorial labor union officials have continued to harass us with unreasonable demands, with the result that we have not caught up fully as yet with our publishing schedule. This issue of the Financial Chronicle, the news issue, is being mailed on time. To do this, however, meant a little additional delay in sending out Tuesday's issue which is largely devoted to stock and bond quotations. We felt that this would inconvenience our readers less than would a delay in the news issue. Within the very near future, we expect that every issue will be mailed right on schedule.

Meanwhile we seek the continued indulgence of our subscribers, to whom we are already so greatly indebted.

# Token Taxes

We have now a tax measure which is expected to yield something over $3,500,000,000, but which, when considered in comparison with the almost countless billions we are spending and are planning to spend during the next few years, can hardly be regarded as likely to do more than levy token taxes upon the people of this country!

A decade ago when we were endeavoring to collect sums of money owed us by foreign governments which we had saved in the so-called World War No. 1, we in some instances received what was at the time termed token payments, which in ordinary language meant practically no payment at all. For a period after we had avowed the intention of becoming the arsenal of democracy, it was frequently said that we were sending token shipments of arms and what not, which in practice meant we were sending hardly enough to be noticed at all. The close reader of the President's recent report on progress under the lease-lend arrangements will, of course, realize that we have not now really got far past the token shipment stage in this matter —one qualified observer recently remarked that we are still more of a pop-gun arsenal than anything else.

It is difficult, unfortunately, very difficult, for the average man to understand when we talk of a tax law which is expected to take more than $3,500,000,000 from the pockets of the American public that what we are doing is in fact hardly more than demanding that the tax payers contribute a drop to the bucket full of funds which must somehow be

(Continued on Page 211)

# FROM WASHINGTON
## AHEAD OF THE NEWS

One of the most interesting scenes on the back-biting, throat-cutting Washington stage these days is the experience of Barney Baruch. From the headlines, one would get the impression. on the one hand, that this financier is kept busy giving Mr. Roosevelt and the Congress advice on the conduct of the Second World War, and on the other hand, that a fairly sizeable part of the country thinks that he has had the experience and that either he or his counterpart should be operating in the defense production job. The point is that there is considerable agitation about this man. His comings and goings at the White House are fully reported by the daily press; his utterances given full play. Also, harassed editors seeking to explain the great need in the capital, have a way of saying "What we need is another Barney Baruch." Or maybe, they leave out the "another," and say bluntly that this particular man is needed.

**It is an interesting commentary on the situation that not only are the chances very slim of his being called upon to serve, but that his advice is not likely to be followed by the President.**

It is such a strange situation, in fact, that Mr. Baruch militates against the proper kind of price fixing bill, for example, or the proper kind of defense set-up, because he advocates it. Woodrow Wilson would not stand for the crossing of a "T" by Cabot Lodge in his League of Nations plan. Anything that Barney Baruch works out, one may almost rest assured, Mr. Roosevelt will insist upon the crossing of so many "T's" that it can't be recognized as a Baruch plan.

There is one of the strangest feuds in history on between these two men. It is one of those smil-

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## Final Approval Of Big Tax Bill

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4,930,000 persons will be called upon to file income tax returns but only about 2,275,000 persons will be taxable. The new taxpayers will contribute about $47,000,000, with the balance of the additional revenue coming from persons taxable under present law.

In addition to the normal tax rate of 4% the bill imposes surtaxes starting at 6% for the first $2,000 of taxable net income and progressing to 77% for incomes of $5,000,000 or over.

With respect to the conference committee action on Sept. 16, the Associated Press reported:

> Besides the key amendment cutting exemptions, Senate members of the joint committee, appointed to adjust differences between Senate and House bills, won out on 135 of the 164 amendments written in by the Senate. These included provisions eliminating House-approved levies on radio-time sales, billboards, soft drinks and corporations not earning sufficient income to fall under the schedule of excess-profits taxes. The levies were estimated to yield an aggregate of $104,500,000.
>
> More than offsetting that loss, however, the conference group accepted a Senate amendment, estimated to raise $120,500,000, which would raise corporation surtaxes from 5 to 6% on the first $25,000 of net income and from 6 to 7% on income over that amount.
>
> Another Senate amendment approved would permit persons with net income of $3,000 and less to make out their income-tax returns on a simplified form. Another would incorporate the special 10% defense super-tax in the surtax structure, and a third would create a special fourteen-man committee to study methods of curtailing non-defense expenditures. The committee would be composed of the Secretary of the Treasury, the Budget Director and twelve members of the Senate and House taxing and appropriations committees.
>
> Most of these increases in "nuisance" taxes are effective Oct. 1.

Senate passage of the tax bill was reported in these columns Sept. 11, page 113.

## Installment Paper

Comptroller of the Currency Preston Delano announced on Sept. 12 that national banks in the United States and possessions on June 30, 1941, had outstanding $1,008,170,000 in personal and retail installment paper, including F.H.A. Title I loans, which was 13% of the total of their loans to customers, excluding real estate loans, loans for purchasing or carrying securities, open-market paper, and loans to banks. More than 89%, or 4,586 of the banks were engaged in making loans of the type indicated Included in the aggregate of such loans were retail installment paper of $610,356,000, F.H.A. Title I loans of $166,037,000, and personal installment cash loans of $231,777,000. The Comptroller's announcement also said:

> Personal and retail installment loans were reported by banks in all sections of the country. The ratios of such loans to total loans to customers, exclusive of real estate loans, loans for purchasing or carrying securities, open-market paper, and loans to banks, ranged from 28% in the Pacific States to 9% in the New England States.

## On The Propagation Of Fear.

During the year 1904 there resided, in the Bohemian quarter of Chicago, in modest contentment and prosperity, an industrious immigrant who had succeeded in establishing himself among his own people and their neighbors as a dealer in milk. His name was Martin Vzral and he had a wife and seven children. He had accumulated a small property, including the capital employed in his little business, then netting from $75.00 to $100.00, weekly; the simple home which he owned; and bank deposits aggregating more than $2,000.00. It was this small fortune, and the lust of possession which it inspired in a low and unscrupulous intelligence, which wrought the undoing of this worthy family. Within two years all their property had been filched away, six of the nine had fallen victims to arsenic poisoning, and the vile creature who had preyed upon their simplicity was on his way to punishment.

The method used by the swindler, who became murderer as well, was simply the inculcation of unreasoning, baseless, and consuming fear, supplemented by trust in himself supporting reliance upon him as the unique and indispensable potential savior from undefined but imminent calamity, Herman Billik, their fellow-countryman, almost equally ignorant but handsome and with an imposing presence and ingratiating ways, was a fortune-teller in Cleveland, a seller of love-potions and an all-around charlatan, when he learned of the Vzrals and their attractive prosperity, and immediately his unscrupulous mind determined that they should become his victims. To accomplish his aims, he removed to Chicago, settled in a small house near his prey, and hung out a sign reading "The Great Billik, Card-Reader and Seer." Moving mysteriously and waiting a few days, he strode into the presence of the head of the Vzral family and, with introductory gibberish, abruptly announced, "You have an enemy. I see him. He is trying to destroy you." A few days later, the charlatan, having allowed time for consternation to develop and mount, reappeared and indicated, as the enemy, another milk-dealer in the same neighborhood, at the same time offering his own services, as a necromancer, to repel all dangers and to produce prosperity beyond that previously enjoyed. Before all nine of the superstitious Vzrals, Billik brewed an ill-smelling concoction, muttered incautations and sprinkled some of it before the residence of the rival milk-dealer, and assured them that all danger had been averted. From that moment, all their immunity from dangers that did not exist at all, and all the results of their continued industry, the Vzrals attributed to Billik. They were all gratitude and humble anxiety to reward their benefactor, but nobly he rejected compensation and only, after persuasion, consented to accept loans, beginning with $20.00, followed rapidly by other loans and more loans, in continuing series, not any of them ever repaid, until the current profits of the milk business were consumed, the bank account was exhausted, the little home had been mortgaged to the last penny it could support, in short, until the robbery was complete and entire ruin had been effected. One by one, during this process, members of the victimized family dimly saw or suspected the truth and, as fast as their suspicions were realized by the murderer, they were poisoned with arsenic and died. This is but the barest outline of the cruel tragedy. The curious can find the entire narrative, which is a true one, in Herbert Asbury's recent chronicle of Chicago, published under the title "Gem of the Prairie."

This sketch could have no place in these columns were it not that it may prove useful as an illustration of the ease with which simple and unsophisticated minds can be impelled to dread the unknown with unmeasured and cumulative intensity and, under leadership not much superior in competence to themselves, sometimes to take costly, extremely dangerous and completely superfluous measures which they are led to look upon as essential to their own protection against the wholly imaginary perils with which their fearful souls are made to suppose that they are closely surrounded. Even mass production of gratuitous and baseless fear is not, perhaps, beyond the capacity of leadership itself imbued with incomprehensible and increasing terrors and convinced that it must spread equivalent terror among its followers in order to drive them to extremities of sacrifice and endeavor which are disproportionate and excessive in comparison with any actual and known dangers or sources of danger to be found in the facts and capable of definite indication to the masses of those called upon to accept the burdens, to make the sacrifices and to supply the means of enlarged endeavor.

Suppose the existence of a great and independent nation with no foes within the hemisphere in which its strength, in all forms, actual as well as potential, vastly exceeds the strength of any possible competitor, even of all other nations could they be able to achieve the undesired and impracticable and combine for its destruction. It is the richest nation on earth and has been the most fearless and contented. This nation has a large, reasonably enlightened, very energetic, and resourceful population which almost unanimously believes that it enjoys and cherishes the highest degree of liberty and self-government anywhere prevailing. It is largely isolated in its grandeur and protected in its independence by that isolation. Of its four great boundaries, two are washed by wide oceans and half of a third is bordered by a great gulf on the opposite shores of which are much smaller nations whose resources are relatively undeveloped, which are without naval forces of any modern sort and whose armies are small and poorly supplied with arms and equipment. Its only continuous land boundary separates it from a province recognizing a king who inhabits another hemisphere. This adjacent province occupies a vast but scantily inhabited area and is so well disposed that for more than a century the common line of demarcation has been left entirely unguarded by military or naval forces. During the entire national existence of this fortunate people, no foreign foe has ventured upon its soil with hostile intentions, except that over one hundred years ago the country that in the lapse of time has come to rank highest among its international friendships was temporarily its enemy, and in a regrettable invasion held for only a few days its capital and dared to burn the edifices which housed its legislature and its highest executive. Moreover, this isolated, populous, and wealthy people possesses a large and highly efficient navy and the largest army in its history, both amply supplied with arms and munitions. If there could be anywhere immunity from foreign attack, with complete exemption from any reasonable ground for fear of unprovoked invasion or attack, it would seem to be the possession of this so happily situated people.

But the titular leader of this people has vast power, supported by the real authority that is his for a fixed term of years and as long as he can continue to obtain recurrent re-elections, and he is internationally-minded in a very high and even extraordinary degree. From boyhood, he has spent many of his happiest days in a luxurious home located upon a beautiful island belonging to a foreign kingdom and much of the remainder of his life has been spent in transoceanic travel and temporary but extended periods of foreign residence. He has called to his assistance, as daily and confidential advisers, several elderly men who are almost equally disposed to reject the limitations of national boundaries as defining or limiting the interests of the masses of the people whose destinies they believe to be in the keeping of the government of which they are a part. To this happy, free, and independent people, these leaders suddenly proclaim, almost as Billik, with selfish and sinister intention that cannot in any degree be attributed to these leaders, proclaimed to the Vzrals: "You have an enemy; he is scheming your destruction as a nation enjoying freedom and independence; he will endeavor to divert your wealth to his own purposes; he will filch from you your foreign trade; he will force you to abandon your cherished way of life; he will make you the abject slaves of his will and even of his whims, the subservient, ignoble, toil-worn servants of the people who support his authority and his arms."

"But," these leaders add, "we can save you; submit yourselves completely to our direction; surrender to us for awhile your dearest liberties; give us your sons as conscripts to send to fight and suffer, perhaps to die, in whatever foreign and distant land we designate; give us in huge taxes whatever we may ask from the substance of your savings and from the fruits of your daily toil; yield to us your accustomed standards of living and of comfort; and then and not otherwise shall we be able to perform the incantations and achieve the great deeds that in the indefinite lapse of time may destroy your distant enemy and accomplish, at least for the time-being, the restoration of the well-being you have up to now so liberally enjoyed."

And they point out the enemy. It is Reichsfuehrer Hitler, who seems just now to be pretty thoroughly engaged at points much nearer to his national headquarters, whom they declare that all Americans must fear. He plans, they allege, to subject all Europe to his despotic rule, to control all its large area and its teeming millions of inhabitants, most of whom hate and despise him and all Germans who lend themselves to his support, and then, when that not insignificant task is complete, when even Great Britain, with Ireland which a thousand years has not sufficed to rob of the love of freedom, is subject, then will he steal across the Atlantic, perhaps by way of Africa and South America, and reduce all our America to similar enslavement. This is the chief, the commanding fear, not defined but vehemently suggested to pliant and trusting minds.

But there are also subsidiary fears that are sought to be implanted, such as the fear, in the eastern states, of a shortage of gasoline and fuel oil, now shown to have no basis save imagination and a short-lived and partial diminution of reserves said to be normal or desirable. Americans must fear, so they are told, that there are among themselves citizens not enough terrorized, that among their neighbors are theoretical devotees of other forms of government; they must fear "fifth columnists," with a fear the more effective and pervasive because no one knows how to define the terms; they must fear a too high cost of living in general but also too low prices and insufficient wages at sundry points; they must fear debt and installment buying, but not public debt nor installment buying of the evidences of such debt; they must fear impoverished old age, but before old age comes they must give up their potential savings in taxes and send unlimited succor to all the distant countries and peoples whom their leaders select as friends. In fact, Americans are asked to fear about everything and everybody except their own political office-holders, and among these to fear all who are not New Dealers. They must fear regimentation under every remote tyrant whom imagination may transplant across the Atlantic, but never fear any degree of regimentation under the New Deal.

"There is nothing so terrifying as incomprehensible sound," said the late Bourke Cochrane, opening his magnificent refutation of William Jennings Bryan's wordy attack upon so-called trusts, which he called "octopuses," with their owners and managers, at a Conference held many years ago in Chicago. President Roosevelt, Secretary Hull, Secretary Stimpson, Secretary Knox, and all their official coadjutors and followers, seem thoroughly to have learned this lesson and they conduct themselves accordingly. President Roosevelt, however, is authority for another and more reassuring view. In 1933, he desired to insure not mass-production and wide dissemination of terror, but its restriction and diminution. In his first inaugural address, he declared:—

> So, first of all, let me assert my firm belief that the only thing we have to fear is fear itself — nameless, unreasoning, unjustified terror which paralyzes needed efforts to convert retreat into advance.

And that truth, which Mr. Roosevelt then said that it was "preeminently the time to speak," which he insisted was the "whole truth," spoken "frankly and boldly," is the whole, the unanswerable, and the adequate truth today. It is as sufficient in 1941 as it was in 1933 and it leaves no place for the terrors that are now so emotionally preached daily by the frightened and seemingly panic-stricken titular leaders in Washington. The real necessities of national defense cannot be envisaged in proper perspective and with steady poise or reasoned, persistent, and truly patriotic purpose until this truth, so well-spoken in 1933, is generally and fully realized.

## For Your Greater Convenience

In its new form, the Financial Chronicle was designed to make bound copies easier to use. Although the new bound volumes will be slightly larger than heretofore, they will be thinner, will open flat and will be easier to handle. For this reason, we want to urge subscribers to save their copies of the Financial Chronicle so that each quarterly bound edition will have a complete record of all important financial developments, just as they were reported in the Financial Chronicle.

## Token Taxes

*(Continued from First Page)*

raised during the next few years if we are to become in any real sense of the term an arsenal for the democracies, to say nothing of the others we are taking under our protective wing. Yet such is plainly the fact.

Naturally no one supposes that all the funds required for this titanic armament program upon which we are now launched will be raised currently through taxation. Even if such a course were theoretically feasible, it is little less than certain that it would be politically out of the question. This circumstance does nothing, however, to alter the fact that some day, somehow, these bills must be paid — paid not in the sense that the bills due from the Government to suppliers and others must be met, but that those who advance the funds for such payments must be reimbursed. And if the Government of the people is to play fair with the people they must be reimbursed in real money, not in flat currency or some other form of money which is such in name only. Unless we are prepared to permit our government to complete the sacrifice of its honor and are, in fact, prepared to sacrifice our own collective honor, the American people even with the present measure in full force will hardly more than get a foretaste of the taxes that they for years to come will have to pay.

This foretaste will, however, for many be both bitter and substantial. It is more than disheartening that the burden will nonetheless fall upon a relative small section of of the population. It remains true that the vast majority of the people of the country will, so far as direct taxes are concerned, continue to go free. This means, of course, that the sobering effect of such a measure will be more or less confined to the same groups which have for a long while past been vainly crying for more reason and prudence in the management of our affairs, non-defense or well as defense.

In some Administration circles there is considerable self gratulation over the lowering of the exemptions. This change is without question a small and faltering step in the right direction, or at least its professed purpose is a good one. What many appear not to realize is that the method chosen for bringing a certain further number of the voters into the income tax brackets also adds further to the crushing burden the groups immediately above them already bear, while it leaves the larger number of the very groups which are guilty of the 1941 style of war profiteering untouched. The higher brackets are already severely burdened, and will continue to be under the new law. How much more cheerfully it would be possible to view the situation if these token taxes —heavy as they unquestionably are—were laid evenly upon the great rank and file in a form easily recognized by the man in the street.

# The State Of Trade

Business activity generally presents a favorable picture, with many industries reporting new high levels reached. A pretty good barometer of conditions is the demand for electric power. A new all-time record in production of electric energy for last week of 3,281,290,000 kilowatt hours was today reported by the Edison Electric Institute. Whatever the let-down incidental to the long Labor Day week-end, last week witnessed a better than seasonal rebound.

The previous high of 3,226,141,000 kilowatt hours was attained in the week ended Aug. 2nd, since which time the electric power and light industry's output has been out-running 1940 by 16.5 to 19.4 per cent.

Among other favorable items is crude oil production which sets a record for the week. Crude oil production in the United States reached an all-time peak of 4,033,700 barrels a day in the week ended Sept. 13th, a rise of 218,750 barrels a day from the preceding week, and comparing with daily average production of 3,647,400 barrels for the like 1940 week.

Another favorable item is the report from Washington that eighty-seven Class I railroads had estimated operating revenues of $399,934,906 in August, compared with $310,035,346 in August, 1940, and $381,239,580 in August, 1930, according to the Association of American Railroads.

However, we have the unpleasant side of the picture presented in the steel situation. In addition to the official coal shutdowns that have been slowing the nation's steel plants, the wildcat and unauthorized strikes and slowdowns have cost the steel industry a full month's production, "Iron Age" asserts today.

The steel situation, the publication says, is definitely dangerous to the national defense program and requires immediate action. With demands continually rising, ingot production declined 1½ points to 96 per cent from last week, chiefly because of a five point decline at Pittsburgh and a one point drop to 100 per cent at Chicago.

The strike situation is again becoming a large source of worry to industry and the Government. In spite of the increasingly grave war developments in the East and the immediate threat of hostilities between this country and Germany, we have serious strikes breaking out in areas most vital to national defense. When history is written, the selfishness and lack of cooperation on the part of certain labor organizations in this great emergency will surely loom large.

The unions fully realize how vital the coal and steel industries are in the national defense program. Yet this is the answer of the United Mine Workers to the repeated appeals of the President for national unity and unified support for his policies.

It would seem under these trying conditions the National Defense Mediation Board should reconsider the wisdom of its decision in the Federal Shipbuilding case to recognize the closed shop issue as a proper object of mediation. If the Government does not take a firm stand soon, it is believed there will be an epidemic of "closed shop" disputes.

With the country moving rapidly toward a full war-time economy, restrictions of normal commercial enterprise are getting under way. December production of passenger cars will be limited to 204,848 vehicles, or a reduction of 48.4 per cent from the output of 396,823 cars made in December, 1940, it was announced this week by Leon Henderson, OPM civilian supply director.

The heavy slash in pleasure car output for December was timed, officials said, "to coincide with increased need for automobile workers in aircraft engine and other defense plants." All Government agencies, it was said, together with the industry, labor and local officials, are working together to effect orderly transfer of workers, together with placement of defense contracts in communities threatened with severe dislocation.

Far from abating, defense construction next year will exceed the extremely heavy activity of this year, builders have learned from OPM officials. Equipment and materials manufacturers, as well as builders, therefore expect no letup in the present construction boom during 1942, it was learned recently.

Based on authorizations already made, the OPM has indicated that $1,200,000,000 of defense construction is already scheduled for 1942. Constant broadening of the defense program, however, leads OPM officials to predict that these authorizations will be vastly expanded.

## New York State Factory Employment Rises

*(Continued from First Page)*

### *Payroll Gains Again Reported by All Industrial Districts*

August marked the seventh consecutive month that all seven industrial districts reported payroll increases. These gains have raised the payroll level in all districts to new all-time highs. From July to August, the Utica district was the only one in which a net drop in forces was reported. The losses caused by a strike at a knitting mill, seasonal curtailment at a wood products concern and layoffs at a nonferrous metal firm caused by priorities were sufficient to offset the good gains in forces at most other plants in this area. The large payroll gain at a firearms plant, due to increased activity and a wage rate increase of about 7%, was more than sufficient to offset the wage losses in the above three firms. The largest gains from July to August were, as usual, reported in New York City. Although the major portion of these increases was due to the seasonal expansion at women's apparel factories, the majority of other factories in the City were also busier. Sizeable gains were reported by airplane, ship-building, candy and novelty firms. The great majority of factories in Buffalo, Rochester, Syracuse and Albany-Schenectady-Troy hired additional workers in August. The largest hirings in Buffalo were made by airplane, machinery, nonferrous metal, instrument, clothing and flour milling concerns. The resumption of more normal activity in August after July vacations at several Buffalo metal firms accounts for a good deal of the larger gain in payrolls than in forces. In Rochester, the best gains were at photographic supply, men's furnishings, machinery and canning plants. More than half of the net gain of 661 workers reported by Syracuse factories from July to August was made by one steel concern. Further gains at defense factories in the Albany-Schenectady-Troy area were coupled this month with increases at several consumers' goods plants, noteably at printing, toy, brush and shirt firms. Since the large shoe and business machine firms in the Binghamton-Endicott-Johnson City area maintained their July high level of operation in August, the good gains at the relatively smaller furniture and photogarphic supply firms were sufficient to raise the total employment and payroll levels to new all-time highs.

| | July to Aug. '41 % Change | | Aug. '40 to Aug. '41 % Change | |
|---|---|---|---|---|
| City | Empl. | Payr. | Empl. | Payr. |
| New York City | +5.7 | +8.5 | +24.4 | +42.5 |
| Buffalo | +3.2 | +8.0 | +43.4 | +69.1 |
| Rochester | +3.1 | +2.7 | +22.1 | +44.7 |
| Syracuse | +2.4 | +4.4 | +26.0 | +50.9 |
| Albany-Schenectady-Troy | +2.0 | +1.6 | +54.0 | +86.9 |
| Binghamton-Endicott-Johnson City | +0.5 | +0.5 | +15.3 | +54.8 |
| Utica | —0.6 | +1.9 | +38.3 | +85.5 |

## Gates Is Sworn In

Artemus L. Gates was sworn in on Sept. 5 as Assistant Secretary of the Navy for Aeronautics, a position which has been vacant since 1932. Mr. Gates has resigned as President of the New York Trust Company in order to serve in the Government post. President Roosevelt appointed Mr. Gates to his new post on Aug. 28 (referred to in these columns of Aug. 30, page 1218) and the Senate confirmed the nomination on Sept. 3. Among those attending the brief swearing in ceremony in Secretary Frank Knox's office were Under Secretary James V. Forrestal; Assistant Secretary Ralph A. Bard and Admiral H. R. Stark, Chief of Naval operations, as President of the New York Trust Company Mr. Gates is succeeded by John E. Bierwirth.

# Revenue Freight Car Loadings During Week Ended Sept. 6, 1941 Placed at 797,740 Cars

Loading of revenue freight for the week ended Sept. 6 totaled 797,740 cars, the Association of American Railroads announced on Sept. 11. This was an increase of 102,646 cars or 14.8% above the corresponding week in 1940, and an increase of 135,383 cars or 20.4% above the same week in 1939.

Loading of revenue freight for the week of Sept. 6, which included a holiday, was a decrease of 114,980 cars or 12.6% below the preceding week.

Miscellaneous freight loading totaled 337,592 cars, a decrease of 52,713 cars below the preceding week, but an increase of 62,717 cars above the corresponding week in 1940.

Loading of merchandise less than carload lot freight totaled 138,398 cars a decrease of 19,913 cars below the preceding week, but an increase of 3,819 cars above the corresponding week in 1940.

Coal loading amounted to 150,141 cars, a deacrease of 20,197 cars below the preceding week, but an increase of 31,619 cars above the corresponding week in 1940.

Grain and grain products loading totaled 36,878 cars, a decrease of 6,658 cars below the preceding week, and a decrease of 376 cars below the corresponding week in 1940. In the Western Districts alone, grain and grain products loading for the week of Sept. 6, totaled 24,891 cars, a decrease of 4,710 cars below the preceding week, and a decrease of 212 cars below the corresponding week in 1940.

Live stock loading amounted to 12,617 cars, an increase of 155 cars above the preceding week, but a decrease of 3,259 cars below the corresponding week in 1940. In the Western Districts alone, loading of live stock for the week of Sept. 6 totaled 9,514 cars, an increase of 289 cars above the preceding week, but a decrease of 3,070 cars below the corresponding week in 1940.

Forest products loading totaled 38,686 cars, a decrease of 9,064 cars below the preceding week, but an increase of 4,029 cars above the corresponding week in 1940.

Ore loading amounted to 70,802 cars, a decrease of 5,746 cars below the preceding week but an increase of 1,315 cars above the corresponding week in 1940.

Coke loading amounted to 12,626 cars, a decrease of 844 cars below the preceding week, but an increase of 2,782 cars above the corresponding week in 1940.

All districts reported increases compared with the corresponding weeks in 1940 and 1939.

| | 1941 | 1940 | 1939 |
|---|---|---|---|
| 4 weeks of January | 2,740,095 | 2,557,735 | 2,288,730 |
| 4 weeks of February | 2,824,188 | 2,488,879 | 2,282,866 |
| 5 weeks of March | 3,817,918 | 3,123,916 | 2,976,655 |
| 4 weeks of April | 2,793,563 | 2,495,212 | 2,225,188 |
| 5 weeks of May | 4,160,527 | 3,351,840 | 2,926,408 |
| 4 weeks of June | 3,510,137 | 2,896,953 | 2,563,953 |
| 4 weeks of July | 3,413,427 | 2,822,450 | 2,532,236 |
| 5 weeks of August | 4,464,458 | 3,717,933 | 3,387,672 |
| Week of September 6 | 797,740 | 695,094 | 662,357 |
| Total | 28,522,053 | 24,150,012 | 21,846,065 |

The following table is a summary of the freight carloadings for the **separate railroads and systems** for the week ended Sept. 6, 1941. During this period 109 roads showed increases when compared with the same week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED SEPT. 6

| Railroads | Total Revenue Freight Loaded | | | Total Loads Received from Connections | |
|---|---|---|---|---|---|
| | 1941 | 1940 | 1939 | 1941 | 1940 |
| **Eastern District—** | | | | | |
| Ann Arbor | 479 | 503 | 597 | 1,415 | 1,239 |
| Bangor & Aroostook | 715 | 632 | 747 | 279 | 191 |
| Boston & Maine | 7,776 | 6,369 | 6,774 | 12,098 | 9,326 |
| Chicago, Indianapolis & Louisville | 1,433 | 1,232 | 1,454 | 2,500 | 2,149 |
| Central Indiana | 17 | 16 | 11 | 61 | 43 |
| Central Vermont | 1,333 | 1,128 | 1,201 | 2,406 | 1,763 |
| Delaware & Hudson | 6,466 | 4,502 | 4,369 | 10,166 | 7,064 |
| Delaware, Lackawanna & Western | 8,780 | 7,941 | 8,337 | 7,801 | 6,804 |
| Detroit & Mackinac | 277 | 305 | 359 | 144 | 126 |
| Detroit, Toledo & Ironton | 2,123 | 1,735 | 1,531 | 1,243 | 1,145 |
| Detroit & Toledo Shore Line | 270 | 245 | 254 | 3,458 | 2,659 |
| Erie | 13,627 | 11,490 | 11,117 | 14,627 | 12,581 |
| Grand Trunk Western | 4,342 | 2,897 | 3,819 | 8,324 | 7,107 |
| Lehigh & Hudson River | 162 | 134 | 138 | 2,328 | 1,757 |
| Lehigh & New England | 2,045 | 1,795 | 1,425 | 1,732 | 1,219 |
| Lehigh Valley | 9,073 | 7,348 | 7,756 | 7,597 | 6,111 |
| Maine Central | 2,634 | 2,204 | 2,301 | 2,266 | 1,795 |
| Monongahela | 5,608 | 4,543 | 3,845 | 359 | 208 |
| Montour | 2,344 | 2,272 | 2,092 | 65 | 38 |
| New York Central Lines | 46,177 | 39,270 | 36,327 | 47,496 | 37,631 |
| N. Y., N. H. & Hartford | 10,378 | 8,729 | 8,388 | 14,558 | 10,965 |
| New York, Ontario & Western | 1,112 | 1,019 | 893 | 2,068 | 1,558 |
| N. Y., Chicago & St. Louis | 6,460 | 5,344 | 5,425 | 12,638 | 9,816 |
| N. Y., Susquehanna & Western | 406 | 333 | 368 | 1,497 | 1,218 |
| Pittsburgh & Lake Erie | 7,694 | 6,721 | 4,897 | 8,261 | 6,738 |
| Pere Marquette | 5,358 | 5,071 | 5,078 | 5,798 | 4,975 |
| Pittsburgh & Shawmut | 519 | 707 | 477 | 39 | 59 |
| Pittsburgh, Shawmut & North | 422 | 333 | 353 | 466 | 177 |
| Pittsburgh & West Virginia | 889 | 924 | 857 | 2,464 | 1,753 |
| Rutland | 562 | 598 | 569 | 1,148 | 878 |
| Wabash | 5,369 | 4,949 | 4,796 | 9,794 | 8,235 |
| Wheeling & Lake Erie | 5,225 | 4,526 | 4,287 | 3,842 | 3,188 |
| Total | 160,075 | 136,815 | 130,842 | 188,938 | 150,516 |
| **Allegheny District—** | | | | | |
| Akron, Canton & Youngstown | 686 | 458 | 402 | 1,004 | 821 |
| Baltimore & Ohio | 38,225 | 31,107 | 28,689 | 20,593 | 16,366 |
| Bessemer & Lake Erie | 6,665 | 5,747 | 4,915 | 2,071 | 2,514 |
| Buffalo Creek & Gauley | 260 | 284 | 303 | 7 | 3 |
| Cambria & Indiana | 1,840 | 1,492 | 1,576 | 21 | 21 |
| Central R.R. of New Jersey | 7,469 | 5,988 | 5,199 | 14,708 | 10,416 |
| Cornwall | 683 | 640 | 611 | 45 | 57 |
| Cumberland & Pennsylvania | 266 | 193 | 200 | 35 | 43 |
| Ligonier Valley | 119 | 86 | 66 | 32 | 24 |
| Long Island | 867 | 608 | 537 | 2,998 | 2,533 |
| Penn-Reading Seashore Lines | 1,884 | 1,115 | 1,305 | 2,187 | 1,315 |
| Pennsylvania System | 79,857 | 64,611 | 57,704 | 53,381 | 41,517 |
| Reading Co. | 15,783 | 13,198 | 11,415 | 21,811 | 16,144 |
| Union (Pittsburgh) | 19,191 | 16,953 | 11,401 | 6,302 | 5,718 |
| Western Maryland | 3,908 | 2,959 | 3,328 | 8,648 | 6,210 |
| Total | 177,703 | 145,439 | 127,651 | 133,843 | 103,702 |
| **Pocahontas District—** | | | | | |
| Chesapeake & Ohio | 27,086 | 22,336 | 24,290 | 11,996 | 10,006 |
| Norfolk & Western | 21,971 | 19,225 | 19,988 | 5,441 | 4,722 |
| Virginian | 4,157 | 4,109 | 4,191 | 1,804 | 1,396 |
| Total | 53,214 | 45,670 | 48,469 | 19,241 | 16,124 |
| **Southern District—** | | | | | |
| Alabama, Tennessee & Northern | 394 | 244 | 243 | 209 | 158 |
| Atl. & W. P.—W. R.R. of Ala. | 942 | 763 | 763 | 1,958 | 1,498 |
| Atlanta, Birmingham & Coast | 883 | 688 | 599 | 950 | 633 |
| Atlantic Coast Line | 10,322 | 8,825 | 9,125 | 6,380 | 5,069 |
| Central of Georgia | 4,319 | 4,101 | 3,734 | 3,481 | 2,779 |
| Charleston & Western Carolina | 442 | 432 | 417 | 1,309 | 1,112 |
| Clinchfield | 1,696 | 1,252 | 1,247 | 2,479 | 1,900 |
| Columbus & Greenville | 298 | 216 | 428 | 359 | 279 |
| Durham & Southern | 200 | 159 | 157 | 605 | 362 |
| Florida East Coast | 416 | 463 | 378 | 858 | 794 |
| Gainsville Midland | 38 | 30 | 36 | 77 | 124 |
| Georgia | 1,312 | 1,025 | 931 | 1,819 | 1,580 |
| Georgia & Florida | 469 | 276 | 326 | 627 | 429 |
| Gulf, Mobile & Ohio | 3,739 | 2,856 | *1,655 | 3,252 | 3,025 |
| Illinois Central System | 22,979 | 19,273 | 21,405 | 11,656 | 10,912 |
| Louisville & Nashville | 23,358 | 19,618 | 21,029 | 7,720 | 5,213 |
| Macon, Dublin & Savannah | 208 | 125 | 98 | 639 | 482 |
| Mississippi Central | 204 | 139 | 208 | 332 | 238 |
| Nashville, Chattanooga & St. L. | 3,053 | 2,701 | 1,641 | 2,883 | 2,378 |
| Norfolk Southern | 1,472 | 1,107 | 2,878 | 1,523 | 1,223 |
| Piedmont Northern | 495 | 426 | 388 | 1,335 | 953 |
| Richmond Fred. & Potomac | 385 | 344 | 304 | 4,775 | 3,187 |
| Seaboard Air Line | 9,029 | 8,191 | 7,588 | 5,511 | 4,033 |
| Southern System | 22,059 | 20,255 | 19,766 | 17,016 | 13,817 |
| Tennessee Central | 477 | 432 | 335 | 739 | 620 |
| Winston-Salem Southbound | 126 | 157 | 139 | 1,086 | 879 |
| Total | 109,315 | 94,098 | 97,081 | 79,578 | 63,677 |
| **Northwestern District—** | | | | | |
| Chicago & North Western | 19,739 | 18,707 | 17,238 | 12,790 | 10,843 |
| Chicago Great Western | 2,684 | 2,397 | 2,448 | 3,295 | 3,043 |
| Chicago, Milw., St. P. & Pac. | 20,363 | 18,453 | 17,680 | 8,258 | 6,733 |
| Chicago, St. P., Minn. & Omaha | 3,758 | 3,914 | 3,699 | 4,307 | 3,820 |
| Duluth, Missabe & Iron Range | 23,586 | 21,454 | 13,843 | 327 | 219 |
| Duluth, South Shore & Atlantic | 1,152 | 1,047 | 1,131 | 463 | 491 |
| Elgin, Joliet & Eastern | 9,903 | 8,000 | 6,802 | 9,433 | 5,978 |
| Ft. Dodge, Des Moines & South | 583 | 458 | 400 | 116 | 150 |
| Great Northern | 23,684 | 24,603 | 19,263 | 4,073 | 2,948 |
| Green Bay & Western | 535 | 473 | 547 | 787 | 576 |
| Lake Superior & Ishpeming | 2,467 | 4,058 | 3,092 | 77 | 71 |
| Minneapolis & St. Louis | 1,917 | 1,968 | 1,657 | 2,163 | 1,800 |
| Minn., St. Paul & S. S. M. | 6,794 | 8,431 | 6,915 | 3,348 | 3,071 |
| Northern Pacific | 10,418 | 10,051 | 9,564 | 4,580 | 3,440 |
| Spokane International | 127 | 288 | 237 | 297 | 273 |
| Spokane, Portland & Seattle | 2,157 | 1,750 | 1,458 | 2,276 | 1,605 |
| Total | 129,867 | 126,052 | 105,974 | 56,590 | 45,061 |
| **Central Western District—** | | | | | |
| Atch. Top. & Santa Fe System | 20,576 | 18,169 | 19,089 | 8,060 | 5,844 |
| Alton | 2,978 | 2,804 | 2,745 | 2,718 | 2,284 |
| Bingham & Garfield | 673 | 527 | 266 | [illegible] | 106 |
| Chicago, Burlington & Quincy | 16,873 | 14,118 | 14,234 | [illegible] | 8,317 |
| Chicago & Illinois Midland | 2,630 | 1,905 | 1,509 | [illegible] | 663 |
| Chicago, Rock Island & Pacific | 11,799 | 11,332 | 11,022 | 8,816 | 8,625 |
| Chicago & Eastern Illinois | 2,504 | 2,308 | 2,299 | 2,843 | 2,517 |
| Colorado & Southern | 762 | 605 | 817 | 1,557 | 1,198 |
| Denver & Rio Grande Western | 4,462 | 3,687 | 3,353 | 3,797 | 3,196 |
| Denver & Salt Lake | 714 | 713 | 738 | 25 | 26 |
| Fort Worth & Denver City | 874 | 935 | 829 | 865 | 874 |
| Illinois Terminal | 1,733 | 1,723 | 1,698 | 1,935 | 1,453 |
| Missouri-Illinois | 1,012 | 837 | 1,132 | 686 | 453 |
| Nevada Northern | 1,626 | 1,332 | 1,362 | 139 | 132 |
| North Western Pacific | 1,039 | 799 | 568 | 484 | 370 |
| Peoria & Pekin Union | 8 | 11 | 12 | 0 | 0 |
| Southern Pacific (Pacific) | 26,305 | 24,102 | 24,217 | 6,887 | 4,445 |
| Toledo, Peoria & Western | 299 | 318 | 289 | 1,561 | 1,175 |
| Union Pacific System | 15,946 | 13,635 | 14,591 | 11,753 | 8,938 |
| Utah | 506 | 331 | 324 | 1 | 2 |
| Western Pacific | 1,755 | 1,845 | 1,676 | 3,019 | 1,957 |
| Total | 115,074 | 102,036 | 102,770 | 66,988 | 52,575 |
| **Southwestern District—** | | | | | |
| Burlington-Rock Island | 137 | 126 | 213 | 172 | 181 |
| Gulf Coast Lines | 2,916 | 2,459 | 2,307 | 1,857 | 1,415 |
| International-Great Northern | 1,824 | 1,994 | 2,197 | 1,939 | 1,778 |
| Kansas, Oklahoma & Gulf | 224 | 213 | 313 | 1,000 | 805 |
| Kansas City Southern | 2,583 | 1,659 | 1,676 | 2,640 | 1,815 |
| Louisiana & Arkansas | 2,164 | 1,685 | 1,859 | 2,592 | 1,339 |
| Litchfield & Madison | 247 | 330 | 330 | 1,206 | 791 |
| Midland Valley | 746 | 508 | 632 | 245 | 194 |
| Missouri & Arkansas | 109 | 190 | 243 | 271 | 346 |
| Missouri-Kansas-Texas Lines | 3,957 | 3,833 | 4,638 | 3,950 | 2,690 |
| Missouri Pacific | 15,300 | 13,132 | 14,211 | 11,742 | 8,331 |
| Quanah Acme & Pacific | 103 | 71 | 87 | 175 | 92 |
| St. Louis-San Francisco | 7,877 | 6,352 | 6,816 | 4,669 | 3,996 |
| St. Louis Southwestern | 2,670 | 2,097 | 2,674 | 3,171 | 2,007 |
| Texas & New Orleans | 7,438 | 6,972 | 7,219 | 4,036 | 2,728 |
| Texas & Pacific | 4,045 | 3,247 | 3,942 | 4,524 | 3,140 |
| Wichita Falls & Southern | 126 | 101 | 197 | 57 | 82 |
| Weatherford M. W. & N. W. | 26 | 15 | 16 | 60 | 27 |
| Total | 52,492 | 44,984 | 49,570 | 44,306 | 31,757 |

*Note*—Previous year's figures revised. * Previous figures. x Gulf Mobile & Northern only.

# Petroleum And Its Products

A sharp divergence of opinion between the special Senate investigating committee, headed by Senator Maloney, and Ralph K. Davies, Acting Petroleum Coordinator, developed following the announcement by the Senate group on September 11 that there was no actual shortage of gasoline or other petroleum products in the East and immediate removal of existing restrictions was therefore in order. The announcement followed several days' hearings during which the Senate committee heard testimony of railroad, oil and PCO executives.

Petroleum Coordinator Harold Ickes, who was out-of-town during the Senate hearings, was accused by the Committee of "overenthusiasm" in creating "unnecessary alarm" among the public. "The shortage," the Committee said, "is a shortage of surplus and not a shortage of products or a lack of facilities to transport them." In making the report to the Senate, Chairman Maloney cautioned, however, that it was preliminary and the Committee would resume public hearings whenever it found them necessary.

"With proper conservation motorists should find it possible to acquire the gasoline and oil that they need," Senator Maloney reported. "We believe that present restrictions should be lifted and the public, with a clearer understanding of conditions, would cooperate in carrying out an effective program of conservation." It will be remembered that the Petroleum Coordinator's office tried voluntary curtailment of gasoline consumption in the East before ordering compulsory curtailment through night closing of service stations and reduced deliveries.

The Committee's report said that the entire matter boiled down to the question of locating sufficient transportation facilities for the movement of oil and refined products to the Atlantic Coast area. In finding that there was "no shortage of transportation facilities," the Committee said that this was based upon the testimony on available tank cars of J. J. Pelley, president of the Association of American Railroads, and Ralph Budd, defense transportation adviser. The testimony of both Mr. Pelley and Mr. Budd was contradicted by a traffic expert from the PCO who said that their figures on "idle" tank cars were out-of-date.

The Committee's report, however, recommended a constant expansion in the construction of tankers, increased use of pipelines now in operation and under construction, more extensive use of motorized oil tankers and the probable construction of barges. Highlight of the opposition to the pipelines which were held forth as the only feasible means of correcting the situation by Mr. Davies was the testimony of Admiral Land, of the Maritime Commission, and Mr. Pelley, both of whom argued that the 750,000 tons of steel required for the pipelines sought could be used to much better advantage in their respective fields.

A statement bluntly disputing the findings of the Maloney committee was issued from the Office of the Petroleum Coordinator following the committee's report, with Mr. Davies stating that there is a gasoline shortage in the East and that conservation measures must continue. The Davies' statement admitted, however, that the East Coast "is materially better off today than had the situation been allowed to drift—had no effort been made to avert what surely would have been an acute shortage in fuel oils and gasoline.

"The problem of whether insufficient surplus comprises a shortage obviously will be determined by how much demand is made upon stocks," Mr. Davies continued. "When the surplus remains consistently below last year, when demands for petroleum products remain consistently higher than last year, when normal means of transportation to replenish surplus are cut off drastically—then in the opinion of the Office of the Coordinator a problem does exist.

"If the Coordinator's office failed to give public notice of the existence of this condition, it would not be performing the duty it was set up to perform. That duty, as enunciated by the President when he said that 'one of the essential requirements of the defense program, which must be made the basis of our petroleum defense policy . . . is the development and utilization with maximum efficiency of our petroleum resources and our facilities, present and future, for making petroleum products available, adequately and continuously, in the proper forms, at the proper places, and at reasonable prices to meet military and civilian needs.'

"In the opinion of the Coordinator's office, maintenance of an inadequate surplus in the face of increased demands does not constitute 'making petroleum and petroleum products available, adequately and continuously . . . to meet military and civilian needs.' To the Coordinator's office, the admittedly low condition of petroleum stocks on the East Coast continues to mean shortage and the necessity for appropriate action."

The controversy between the Senate committee and the Office of the Petroleum Coordinator was followed by the introduction of a resolution in the House by Representative Cannon, Dem. of Missouri, to take the gasoline and petroleum situation out of the control of Secretary of the Interior Ickes and place it in the hands of an independent body. The Cannon measure was similar to that recently introduced in the Senate by Senator Andrews who called for the creation of an independent oil control Federal agency, to be headed by a man with no other Federal office connections or Cabinet standing.

The report of the Senate committee was not received favorably by executives of the oil companies operating in the East Coast area, most of them feeling that it would undo all the good done in impresssing the public with the need for conservation of gasoline and other refined petroleum products. Although naturally enought no official comment was made, it was indicated that the petroleum companies would continue operations in accord with the plans of the PCO, and gasoline deliveries would remain under restrictions as desired by the Federal oil agency.

Support for Mr. Davies, further plea in the closing period of the Maloney committee's public hearings last week for gasoline consumption curtailment came from John A. Brown, president of the Socony-Vacuum Oil Co. and chairman of District No. 1, comprising the 17 Eastern States on September 11 in which he declared that gasoline conservation in the Atlantic Coast States during the coming months is essential if a shortage of petroleum products in the area is to be avoided. "It will surprise many people to know," he pointed out, "that the total demand for petroleum products as a whole in this area is from 40 per cent to 45 per cent greater in December than in July. This means that the industry must transport more petroleum into this region between now and the end of the year than would be required in the summer."

Formal application by the Office of the Petroleum Coordinator on September 16 for a priority rating for steel needed for construction of the Administration-backed New York-To-Texas pipeline before the Supply, Priorities and Allocations Board in Washington met with a formal refusal as had been expected in view of the SPAB's ruling a week earlier on the question. Ralph K. Davies, deputy oil coordinator, was informed by the SPAB that it took a more favorable attitude toward the use of seamless steel tube for the pipeline if production would be adjusted to defense contracts in the mills to prevent disruption of defense requirements. It was indicated in unofficial statements by OPM executives that a seamless steel tube pipeline would be authorized within the near future.

Early announcement of a consent decree in settlement of the anti-trust suits of the Department of Justice against major oil companies on pipeline operating questions was expected following conferences between counsel for the companies involved and the Department of Justice in Washington this week. The suits filed against the companies contended that the pipelines charged excessive prices which were returned in part to the parent oil companies in the form of dividends while independent producers who used the pipelines received no such repayment. This meant, according to the Government, that the lines were guilty of paying rebates to certain users in violation of the Elkins.

At present, there are three test cases pending in District Courts, two in Wilmington and one in South Bend, Ind., charging the oil companies with such violations of the Elkins Act. If an

(Continued no Page 215)

# Daily Average Crude Oil Production for Week Ended Sept. 13, 1941, Up 218,750

The American Petroleum Institute estimates that the daily average crude oil production for week ended Sept. 13, 1941 was 4,033,700 barrels. This was a gain of 218,750 barrels from the output of the preceding week and the current week's figures were above the 3,960,000 barrels calculated by the U. S. Department of the Interior to be the total of restrictions imposed by the various oil-producing States during September. Daily average production for the four weeks ended Sept. 13, 1941, is estimated at 3,957,200 barrels. The daily average output for the week ended Sept. 14, 1940, totaled 3,647,400 barrels. Further details as reported by the Institute follow:

Imports of petroleum for domestic use and receipts in bond at principal United States ports, for the week ended Sept. 13, totaled 2,029,000 barrels, a daily average of 289,857 barrels, compared with a daily average of 220,286 barrels for the week ended Sept. 6, and 240,500 barrels daily for the four weeks ended Sept. 13. These figures include all oil imported, whether bonded or for domestic use, but it is impossible to make the separation in weekly statistics.

Receipts of California oil at Atlatnic Coast ports during the week ended Sept. 13, amounted to 214,000 barrels, a daily average of 30,571 barrels, of which 138,000 barrels was Gasoline received at the Port of Philadelphia, and 76,000 barrels was Gas Oil and Distillate Fuel Oil received at Fall River.

Reports received from refining companies owning 86.4% of the 4,538,000 barrel estimated daily potential refining capacity of the United States, indicate that the industry as a whole ran to stills, on a Bureau of Mines' basis, 4,010,000 barrels of crude oil daily during the week, and that all companies had in storage at refineries, bulk terminals, in transit and in pipe lines as of the end of the week, 80,555,000 barrels of finished and unfinished gasoline. The total amount of gasoline produced by all companies is estimated to have been 13,406,000 barrels during the week.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

| | † B. of M. Calculated Requirements (September) | State Allowables | Actual Production | | | |
|---|---|---|---|---|---|---|
| | | | Week Ended Sept. 13 1941 | Change from Previous Week | 4 Weeks Ended Sept. 13 1941 | Week Ended Sept. 14 1940 |
| Oklahoma | 489,800 | 428,000 | ‡417,100 | — 21,350 | 427,650 | 409,800 |
| Kansas | 239,800 | 248,800 | ‡244,050 | + 14,650 | 245,600 | 194,600 |
| Nebraska | 5,000 | ------ | ‡7,350 | + 50 | 7,350 | 200 |
| Panhandle Texas | | | 85,300 | ------ | 81,500 | 76,500 |
| North Texas | | | 101,400 | + 500 | 100,800 | 96,500 |
| West Central Texas | | | 30,800 | + 100 | 30,700 | 29,800 |
| West Texas | | | 280,650 | + 54,400 | 263,600 | 228,200 |
| East Central Texas | | | 85,250 | + 4,600 | 83,850 | 78,200 |
| East Texas | | | 369,750 | + 71,200 | 351,850 | 374,900 |
| Southwest Texas | | | 220,250 | + 38,450 | 210,000 | 215,450 |
| Coastal Texas | | | 293,200 | + 44,400 | 280,250 | 208,600 |
| Total Texas | 1,378,600 | §1,406,362 | 1,466,600 | +213,650 | 1,402,550 | 1,308,150 |
| North Louisiana | | | 80,450 | + 2,000 | 79,300 | 65,400 |
| Coastal Louisiana | | | 255,300 | — 100 | 253,400 | 220,050 |
| Total Louisiana | 324,000 | 328,646 | 335,750 | + 1,900 | 332,700 | 285,450 |
| Arkansas | 79,000 | 76,013 | 75,600 | + 500 | 74,900 | 73,400 |
| Mississippi | 33,000 | | ‡53,600 | + 150 | 51,400 | 25,950 |
| Illinois | 392,500 | | 394,050 | — 11,950 | 394,200 | 362,100 |
| Indiana | 21,400 | | ‡19,700 | — 1,350 | 20,500 | 18,500 |
| Eastern (not incl. Ill. & Ind.) | 99,800 | | 92,900 | + 3,000 | 92,200 | 90,450 |
| Michigan | 39,500 | | 51,850 | + 2,000 | 47,750 | 50,000 |
| Wyoming | 85,000 | | 83,500 | + 6,450 | 82,100 | 73,650 |
| Montana | 20,200 | | 20,550 | + 150 | 20,400 | 17,450 |
| Colorado | 4,500 | | 4,850 | — 200 | 4,400 | 3,350 |
| New Mexico | 113,200 | 113,200 | 113,750 | ------ | 113,750 | 97,250 |
| Total East of Calif. | 3,325,300 | | 3,381,200 | +207,650 | 3,317,450 | 3,010,300 |
| California | 634,700 | ¶610,000 | 652,500 | + 11,100 | 639,750 | 637,100 |
| Total United States | 3,960,000 | | 4,033,700 | +218,750 | 3,957,200 | 3,647,400 |

† These are Bureau of Mines' calculations of the requirements of domestic crude oil based upon certain premises outlined in its detailed forecast for the month of September. As requirements may be supplied either from stocks, or from new production, contemplated withdrawals from crude oil inventories must be deducted from the Bureau's estimated requirements to determine the amount of new crude oil to be produced.

‡ Okla. Kans. Neb. Miss. Ind. figures are for week ended 7 a.m. Sept. 10th.

§ This is the net basic 30-day allowable as of September 1st but experience indicates that it will increase as new wells are completed, and if any upward revisions are made. Panhandle shutdown days are September 7, 14, 21 and 28th; with a few exceptions the rest of the state was ordered shut down on September 1, 6, 7, 13, 14, 20, 21, 27, 28 and 30th.

¶ Recommendation of Conservation Committee of California Oil Producers.

NOTE:—The figures indicated above do not include any estimate of any oil which might have been surreptitiously produced.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE AND GAS AND FUEL OIL, WEEK ENDED SEPT. 13, 1941

(Figures in Thousands of Barrels of 42 Gallons Each)

| District | *Daily Refining Capacity* | | *Crude Runs to Stills* | | *Gasoline Produc'n at Refineries Incl. Natural Blended* | *Stocks Finished & Unfinished Gasoline* | **Stocks of Gas Oil and Distillates* | **Stocks of Residual Fuel Oil* | *¶¶Stocks Aviation Gasoline* |
|---|---|---|---|---|---|---|---|---|---|
| | *Potential Rate* | *P. C. Reporting* | *Daily Aver.* | *P. C. Operated* | | | | | |
| East Coast | 673 | 100.0 | 599 | 89.0 | 1,667 | 19,238 | 16,418 | 10,241 | E. Coast |
| Appalachian | 166 | 83.8 | 143 | 102.9 | 484 | 3,113 | 602 | 569 | 654 |
| Ind. Ill. Ky. | 752 | 84.4 | 658 | 103.6 | 2,597 | 14,414 | 5,578 | 4,453 | Interior |
| Okla. Kans. Mo. | 413 | 80.7 | 311 | 93.4 | 1,246 | 6,748 | 2,039 | 2,016 | 1,322 |
| Inland Texas | 263 | 63.2 | 149 | 89.8 | 696 | 2,233 | 457 | 1,355 | G. C'st |
| Texas Gulf | 1,097 | 91.0 | 1,014 | 101.5 | 3,157 | 11,447 | 6,142 | 8,297 | 3,200 |
| Louisiana Gulf | 156 | 94.2 | 154 | 104.1 | 420 | 2,977 | 1,570 | 2,022 | |
| No. La. & Arkan. | 95 | 49.9 | 57 | 121.3 | 174 | 397 | 361 | 426 | Calif. |
| Rocky Mountain | 136 | 50.1 | 66 | 97.1 | 254 | 1,019 | 125 | 403 | 1,896 |
| California | 787 | 90.9 | 508 | 71.0 | 1,420 | 13,569 | 12,689 | 64,471 | |
| Reported | | 86.4 | 3,659 | 93.3 | 12,115 | 75,155 | 45,981 | 94,253 | 7,072 |
| Unreported | | | 351 | | 1,345 | 5,400 | 1,290 | 1,500 | 380 |
| †Est. total U. S. Sept. 13, 1941 | 4,538 | | 4,010 | | 13,460 | ‡80,555 | 47,271 | 95,753 | 7,452 |
| †Est. total U. S. Sept. 6, 1941 | 4,538 | | 3,995 | | 13,353 | 81,571 | 46,127 | 95,125 | 7,184 |
| U. S. B. of M. †Sept. 13, 1940 | | | §3,592 | | ¶11,921 | 82,983 | 46,556 | 107,335 | 5,875 |

† Estimated Bureau of Mines basis. * At refineries, bulk terminals, in transit and in pipe lines. ¶¶ Included in finished and unfinished gasoline total. § Sept., 1940, daily average. ¶ This is a week's production based on U. S. Bureau of Mines Sept., 1940, daily average. ‡ Finished, 72,378,000 bbl.; unfinished, 7,677,000 bbl.

# Electric Output for Week Ended Sept. 13, 1941, Shows Gain of 18.3% Over Like Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended Sept. 13, 1941, was 3,281,290,000 kwh. The current week's output is 18.3% above the output of the corresponding week of 1940, when production totaled 2,773,177,000 kwh. The output for the week ended Sept. 6, 1941, was estimated to be 3,095,746,000 kwh., an increase of 19.4% over the like week a year ago.

PERCENTAGE INCREASE FROM PREVIOUS YEAR

| *Major Geographic Regions* | *Week Ended Sept. 13, '41* | *Week Ended Sept. 6, '41* | *Week Ended Aug. 30, '41* | *Week Ended Aug. 23, '41* |
|---|---|---|---|---|
| New England | 19.6 | 21.6 | 22.5 | 20.1 |
| Middle Atlantic | 16.1 | 16.1 | 16.0 | 15.1 |
| Central Industrial | 19.6 | 21.9 | 19.3 | 20.2 |
| West Central | 13.8 | 17.5 | 12.1 | 16.2 |
| Southern States | 27.1 | 27.4 | 24.8 | 24.2 |
| Rocky Mountain | 7.4 | 7.7 | 8.5 | 4.5 |
| Pacific Coast | x10.8 | x10.8 | x10.5 | x10.3 |
| Total United States | 18.3 | 19.4 | 17.8 | 17.7 |

x Percentage should be higher; data under revision.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

| *Week Ended* | 1941 | 1940 | *Percent Change 1941 from 1940* | 1939 | 1938 | 1937 |
|---|---|---|---|---|---|---|
| May 3 | 2,914,882 | 2,503,899 | +16.4 | 2,224,723 | 1,992,161 | 2,225,194 |
| May 10 | 2,975,024 | 2,515,515 | +18.3 | 2,238,826 | 2,019,065 | 2,242,421 |
| May 17 | 2,982,715 | 2,550,071 | +17.0 | 2,234,592 | 2,023,830 | 2,249,305 |
| May 24 | 3,011,754 | 2,588,821 | +16.3 | 2,277,749 | 2,030,754 | 2,251,995 |
| May 31 | 2,924,460 | 2,477,689 | +18.0 | 2,186,394 | 1,936,597 | 2,176,399 |
| June 7 | 3,042,128 | 2,598,812 | +17.1 | 2,328,756 | 2,056,509 | 2,266,759 |
| June 14 | 3,066,047 | 2,664,853 | +15.1 | 2,340,571 | 2,051,006 | 2,260,771 |
| June 21 | 3,055,841 | 2,653,768 | +15.2 | 2,362,436 | 2,082,232 | 2,287,420 |
| June 28 | 3,120,780 | 2,659,825 | +17.3 | 2,395,857 | 2,074,014 | 2,285,362 |
| July 5 | 2,866,865 | 2,425,229 | +18.2 | 2,145,033 | 1,937,486 | 2,139,281 |
| July 12 | 3,141,158 | 2,651,626 | +18.5 | 2,402,893 | 2,154,099 | 2,358,438 |
| July 19 | 3,162,586 | 2,681,071 | +18.0 | 2,377,902 | 2,152,778 | 2,321,531 |
| July 26 | 3,183,925 | 2,760,935 | +15.3 | 2,426,631 | 2,159,667 | 2,312,104 |
| Aug. 2 | 3,226,141 | 2,762,240 | +16.8 | 2,399,805 | 2,193,750 | 2,341,103 |
| Aug. 9 | 3,196,009 | 2,743,284 | +16.5 | 2,413,600 | 2,198,266 | [illegible] |
| Aug. 16 | 3,200,818 | 2,745,697 | +16.6 | 2,453,556 | 2,206,560 | 2,365,859 |
| Aug. 23 | 3,193,404 | 2,714,193 | +17.7 | 2,434,101 | 2,202,454 | 2,351,233 |
| Aug. 30 | 3,223,609 | 2,736,224 | +17.8 | 2,442,021 | 2,216,648 | 2,380,301 |
| Sept 6 | 3,095,746 | 2,591,957 | +19.4 | 2,375,852 | 2,109,985 | 2,211,398 |
| Sept 13 | 3,281,290 | 2,773,177 | +18.3 | 2,532,014 | 2,279,233 | 2,338,370 |
| Sept 20 | | 2,769,346 | | 2,538,118 | 2,211,059 | 2,321,277 |
| Sept 27 | | 2,816,358 | | 2,558,538 | 2,207,942 | 2,331,415 |

# Steel Production Endangered By Coal Strike

The "Iron Age" in its issue of Sept. 18 reported that calling of the CIO strike in captive mines producing coal for the nation's steel plants at mid-week seemed so dangerous to the natonal defense program that it could not be permitted to continue. In the same classification are union dues drives such as that which on Tuesday (Sept. 16) struck at the heart of steel production in the Pittsburgh area, the vital by-product coke works at Clairton, Pa. The stoppage began when operators of coke oven batteries sat down, refusing to work with non-dues paying men.

Still another danger to continued high steel production lies in unpublicized strikes and slowdowns in various plants. One steel manufacturer this week told "Iron Age" that, since Jan. 1, 1941, the steel industry has lost the equivalent of one month's production from these wildcat strikes which often are called without the approval or knowledge of union leaders.

But the most important developments in the labor situation are likely to come in the current negotiations between the Steel Workers' Organizing Committee and some of the large "little steel" companies such as Bethlehem Steel Co., Republic Steel Corp., Inland Steel Co., and Youngstown Sheet & Tube Co. One demand being made by the SWOC—here is the most vital issue in management-labor dealings in these times—is for the union shop. Opposing the CIO's industrial union of Marine & Shipbuilding Workers in its demand for a union shop at Federal Shipbuilding & Drydock Co.'s Kearny, N. J., shipyards, the Federal company (a U. S. Steel subsidiary) recently lost the management of its shipbuilding business to the Navy. If the National Defense Mediation Board which supported the ship union stands its ground and upholds the CIO's Steel Workers' Organizing Committee in its request for a union shop in the steel industry, a new chapter in union history is opening.

After 15 months of defense effort, the new Supply, Priorities and Allocations Board, headed by Donald M. Nelson, ackowledges that accurate, coordinated knowledge of actual military and civilian needs is still a missing link in the defense picture. To the metal-working industry, this "link" seemed more like an entire chain, but Mr. Nelson's order for the drawing up by the SPAB staff of long-range schedules of both military and civilian requirements was cheering. This step by SPAB was described as an attack against the problems of shortages of essential materials and expansion of productive facilities. It calls for a detailed outline of both civilian and military needs and a breakdown into raw material, machinery and labor classifications.

With demand for steel ever rising, ingot production this week declined 1½ points to 96% from 97½% last week, chiefly because of a five-point decline to 95% at Pittsburgh and a one point drop to 100% at Chicago. The SWOS strike and furnace repairs, plus the pig iron and scrap deficiency, are responsible for the Pittsburgh decline. Steel makers in northern plants are already plagued with fears that cold weather will weaken open hearth schedules by slowing scrap collection. Scrap supplies needed to maintain the continued high steel melting rate are not being built up as is usual at this season.

While September steel shipments covering American and British defense needs are running more than 50% of the total tonnage shipped, recent orders from Washington granting additional priority ratings are likely to push the total of defense rated business in October shipments to from 70 to 75%. When September tentative shipments were analyzed, such business as warehouse requirements, steel drum needs, repair and maintenance specifications and farm equipment did not carry an OPM rating symbol, although many companies considered such steel business as indirect defense effort.

The shortage of steel plates is holding freight car production to 28% of capacity against a backlog of 70,000 cars, and is slowing

(Continued no Page 214)

# Steel Production Endangered By Coal Strike

(Continued from Page 213)

ship production, particularly on the West Coast, where four yards report delay due to inability to obtain steel in the proper sequence.

Fabricated structural steel awards, including 7040 tons for a sub-assembly shop at the Brooklyn Navy Yard, dropped to 15,600 tons from 19,850 tons last week. New projects advanced to 27,500 tons.

THE "IRON AGE" COMPOSITE PRICES

**Finished Steel**

Sept. 16, 1941, 2.30467c. a Lb.

| | |
|---|---|
| One week ago | 2.30467c. |
| One month ago | 2.30467c. |
| One year ago | 2.30467c. |

A weighted index based on steel bars, beams, tank plates, wire, rails, black pipe, hot and cold-rolled sheets and strip. These products represent 78% of the United States output.

| | High | | Low | |
|---|---|---|---|---|
| 1941 | 2.30467c. | Sep 2 | 2.30467c. | Sep 2 |
| 1940 | 2.30467c. | Jan 2 | 2.24107c. | Apr 16 |
| 1939 | 2.35367c. | Jan 3 | 2.26689c. | May 16 |
| 1938 | 2.58414c. | Jan 4 | 2.27207c. | Oct 18 |
| 1937 | 2.58414c. | Mar 9 | 2.32263c. | Jan 4 |
| 1936 | 2.32263c. | Dec 28 | 2.05200c. | Mar 10 |
| 1935 | 2.07642c. | Oct 1 | 2.06492c. | Jan 8 |
| 1934 | 2.15367c. | Apr 24 | 1.95757c. | Jan 2 |
| 1933 | 1.95578c. | Oct 3 | 1.75836c. | May 2 |
| 1932 | 1.89196c. | Jly 5 | 1.83901c. | Mar 1 |
| 1931 | 1.99629c. | Jan 13 | [illegible] | Dec 29 |
| 1930 | 2.25488c. | Jan 7 | 1.97319c. | Dec 9 |
| 1929 | 2.31773c. | May 28 | 2.26498c. | Oct 29 |

**Pig Iron**

Sept. 16, 1941, $23.61 a Gross Ton

| | |
|---|---|
| One week ago | $23.61 |
| One month ago | 23.61 |
| One year ago | 22.61 |

Based on averages for basic iron at Valley furnaces and foundry iron at Chicago, Philadelphia, Buffalo, Valley and Southern iron at Cincinnati.

| | High | | Low | |
|---|---|---|---|---|
| 1941 | $23.61 | Mar 20 | $23.45 | Jan 2 |
| 1940 | 23.45 | Dec 23 | 22.61 | Jan 2 |
| 1939 | 22.61 | Sep 19 | 20.61 | Sep 12 |
| 1938 | 23.25 | Jun 21 | 19.61 | Jly 6 |
| 1937 | 23.25 | Mar 9 | 20.25 | Feb 16 |
| 1936 | 19.74 | Nov 24 | 18.73 | Aug 17 |
| 1935 | 18.84 | Nov 5 | 17.83 | May 14 |
| 1934 | 17.90 | May 1 | 16.90 | Jan 27 |
| 1933 | 16.90 | Dec 5 | 13.56 | Jan 3 |
| 1932 | 14.81 | Jan 5 | 13.56 | Dec 6 |
| 1931 | 15.90 | Jan 6 | 14.79 | Dec 15 |
| 1930 | 18.21 | Jan 7 | 15.90 | Dec 16 |
| 1929 | 18.71 | May 14 | 18.21 | Dec 17 |

**Steel Scrap**

Sept. 16, 1941, $19.17 a Gross Ton

| | |
|---|---|
| One week ago | $19.17 |
| One month ago | 19.17 |
| One year ago | 20.13 |

Based on No. 1 heavy melting steel scrap quotations to consumers at Pittsburgh, Philadelphia, and Chicago.

| | High | | Low | |
|---|---|---|---|---|
| 1941 | $22.00 | Jan 7 | $19.17 | Apr 10 |
| 1940 | 21.83 | Dec 30 | 16.04 | Apr 4 |
| 1939 | 22.50 | Oct 3 | 14.08 | May 16 |
| 1938 | 15.00 | Nov 22 | 11.00 | Jun 7 |
| 1937 | 21.92 | Mar 30 | 12.92 | Nov 10 |
| 1936 | 17.75 | Dec 21 | 12.67 | Jun 9 |
| 1935 | 13.42 | Dec 10 | 10.33 | Apr 29 |
| 1934 | 13.00 | Mar 13 | 9.50 | Sep 25 |
| 1933 | 12.25 | Aug 8 | 6.75 | Jan 3 |
| 1932 | 8.50 | Jan 12 | 6.43 | Jly 5 |
| 1931 | 11.33 | Jan 6 | 8.50 | Dec 29 |
| 1930 | 15.00 | Feb 18 | 11.25 | Dec [illegible] |
| 1929 | 17.58 | Jan 29 | 14.08 | Dec [illegible] |

The American Iron and Steel Institute on Sept. 15, announced that telegraphic reports which it had received indicated that operating rate of steel companies having 91% of the steel capacity of the industry will be 96.1% of capacity for the week beginning Sept. 15, compared with figure of 96.9% one week ago, 96.2% one month ago and 92.9% one year ago. This represents a decrease of 0.8 points, or 0.8%, from the preceding week. Weekly indicated rates of steel operations since Sept. 2, 1940, follow:

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1940— | | Dec 2 | 96.9% | Mar 3 | 97.5% | Jun 9 | 98.6% |
| Sep 2 | 82.5% | Dec 9 | 96.0% | Mar 10 | 98.8% | Jun 16 | 99.0% |
| Sep 9 | 91.9% | Dec 16 | 96.8% | Mar 17 | 99.4% | Jun 23 | 99.9% |
| Sep 16 | 92.9% | Dec 23 | 80.8% | Mar 24 | 99.8% | Jun 30 | x91.8% |
| Sep 23 | 92.5% | Dec 30 | 95.9% | Mar 31 | 99.2% | Jly 7 | x94.9% |
| Sep 30 | 92.6% | 1941— | | Apr 7 | 99.3% | Jly 14 | x95.2% |
| Oct 7 | 94.2% | Jan 6 | 97.2% | Apr 14 | 98.3% | Jly 21 | x96.0% |
| Oct 14 | 94.4% | Jan 13 | 98.5% | Apr 21 | 96.0% | Jly 28 | x97.6% |
| Oct 21 | 94.9% | Jan 20 | 96.5% | Apr 28 | 94.3% | Aug 4 | x96.3% |
| Oct 28 | 95.7% | Jan 27 | 97.1% | May 5 | 96.8% | Aug 11 | x95.6% |
| Nov 4 | 96.0% | Feb 3 | 96.9% | May 12 | 99.2% | Aug 18 | x96.2% |
| Nov 11 | 96.1% | Feb 10 | 97.1% | May 19 | 99.9% | Aug 25 | x96.5% |
| Nov 18 | 96.6% | Feb 17 | 94.6% | May 26 | 98.6% | Sep 2 | x96.3% |
| Nov 25 | 96.6% | Feb 24 | 96.3% | Jun 2 | 99.2% | Sep 8 | 96.9% |
| | | | | | | Sep 15 | 96.1% |

x The revisions in the rates published for previous weeks reflect the recently announced increased capacity of the industry, rated as of June 30, 1941.

"Steel" of Cleveland, in its summary of the iron and steel markets on September 15, stated:

> While some steel sellers find little change, steel inquiry in general continues light. Mills have more orders than they can handle, attributable to several reasons, including a wave of anticipatory buying in recent weeks and uncertainties confronting numerous companies engaged in nondefense work.
>
> Many commercial companies in late July and early August deluged mills with tonnage despite the fact no delivery promise could be made and probable delivery was months away. Considerable of this tonnage was accepted on this indefinite basis and buyers are awaiting results. It appears futile to attempt placing of further orders. Mandatory priorities have tended to lessen efforts to get steel until the consumer can obtain defense work.
>
> Opinion is growing that application of steel priorities will reveal that defense needs require considerably less proportion of output than has been thought. Filing of priority forms is having the effect of wiping considerable duplicate tonnage off books and existence of some large inventory is revealed, both tending toward better distribution. Some mills with diversified production have completed scheduling September tonnage and find total priority orders will require only 40 to 60% of production. This leaves considerable margin for shipment to nondefense users. Mills producing special steels have a higher proportion of priority tonnage. It is believed later months will bring a better situation as the plan works more smoothly.
>
> New records were made in steel production for August and for the first eight months. August steel ingot output at 7,000,957 net tons, was the largest in history for that month, 13% over the corresponding month in 1940. Production in eight months this year, 41,316,410 tons, was 32% above the comparable period in 1940; 24% over the previous record in 1929, 44,137,164 tons, and exceeded production in the full year 1917 by almost 10%.
>
> Shipments of finished steel by the United States Steel Corp. in August paralleled this record 1,753,665 tons being moved, the largest monthly record in the organization's history. Shipments in eight months were also the largest for that period, 13,473,209 tons, 49.03% over the comparable period last year, and 10.6% over the previous record of 12,187,424 tons in eight months in 1929.
>
> Allocation of September pig iron production by OPM has been completed and melters view the result with mixed feelings. In some cases tonnages asked went through with little change, while in others allowances were cut by 50% or more. In cases where melters had considerable iron on yard allocation was decreased. Some claims have been made of inequitable distribution but for most part the output was divided to give best results.
>
> Scrap continues scarce and melters are seeking larger supplies wherever they are available. Most consumers and suppliers are adhering to ceiling prices but reports are heard of violations, especially in the East. Some observers believe the price maximum will break down again as scarcity continues. More direct dealing is being done between producers and consumers, short circuiting dealers.
>
> Treasury procurement division is placing orders for semi-finished steel for Britain to maintain shipments at 250,000 to 300,000 tons each quarter, and is closing orders for about 80,000 tons of finished steel and 35,000 tons of rails. Tin plate for British colonies is being shipped at the rate of 420,000 tons per year. Some skelp is being placed for shipment to India.
>
> Automobile production last week totaled 53,165 units, a gain of 20,225 from the preceding week, which contained Labor Day. Production in the corresponding week last year was 66,615. Steelworks operations last week regained the ½-point lost the preceding week, returning to 96½% of capacity. Detroit advanced 8 points, to 94%; Pittsburgh, 1 point, to 99 and Youngstown, 2 points to 98. Cleveland lost 3 points, to 92. Rates were unchanged, as follows: Chicago 101, Eastern Pennsylvania 95, Buffalo 90½, Birmingham 95, Cincinnati 89, St. Louis 98, Wheeling 94 and New England 90.
>
> Composites are frozen at $56.60 for finished steel, $38.15 for iron and steel and $19.16 for steelworks scrap.

Steel ingot production for the week ended Sept. 15, is placed at 97% of capacity according to the "Wall Street Journal" of Sept. 18. This compares with 96½% in the two preceding weeks. The "Journal" further reported:

> U. S. Steel is estimated at 96½% in the week before and 97% two weeks ago. Leading independents are credited with 97½%, compared with 97% in the previous week and 96% two weeks ago.
>
> The following table gives a comparison of the percentage of production with the nearest corresponding week of previous years, together with the approximate changes, in points, from the week immediately preceding:

| | Industry | | U. S. Steel | | Independents | |
|---|---|---|---|---|---|---|
| 1941 | 97 | + ½ | 96½ | + ½ | 97½ | + ½ |
| 1940 | 93 | + 9 | 95½ | + 16½ | 92 | + 4 |
| 1939 | 72 | + 12 | 67½ | + 20 | 75½ | + 4½ |
| 1938 | 47 | + 2 | 42½ | + 4½ | 51 | |
| 1937 | 81 | + 1½ | 85 | + 6½ | 78 | — 2 |
| 1936 | 73½ | + 2½ | 70 | + 2 | 76 | + 2½ |
| 1935 | 51 | — 1 | 40 | — 2 | 60 | |
| 1934 | 23 | + 2 | 21 | + 1½ | 24 | + 2 |
| 1933 | 39½ | — ½ | 37 | — 1 | 41½ | — ½ |
| 1932 | 17½ | + 2½ | 17½ | + 3½ | 17½ | + 2 |
| 1931 | 29 | — 1 | 32 | — 1 | 27½ | — ½ |
| 1930 | 60 | + 2 | 66 | + 1 | 56 | + 4 |
| 1929 | 82 | — 2½ | 85½ | — 2½ | 79 | — 2 |
| 1928 | 85 | + 5 | 85 | + 6 | 85 | + 4 |
| 1927 | 64 | + 2 | 66½ | + 2½ | 62 | + 2 |

# Moody's Commodity Index Declines

Moody's Daily Commodity Index declined 2.4 points to 217.5 this week. The principal individual losses were in the prices of cotton and hogs.

The movement of the index has been as follows:

| | | |
|---|---|---|
| Tuesday | Sept. 9 | 219.9 |
| Wednesday | Sept. 10 | 218.6 |
| Thursday | Sept. 11 | 219.3 |
| Friday | Sept. 12 | 218.9 |
| Saturday | Sept. 13 | 218.9 |
| Monday | Sept. 15 | 218.6 |
| Tuesday | Sept. 16 | 217.5 |
| Two weeks ago, | Sept. 2 | 214.2 |
| Month ago, | Aug. 16 | 210.7 |
| Year ago, | Sept. 16 | 156.1 |
| 1940 High, | Dec. 31 | 171.8 |
| 1940 Low, | Aug. 16 | 149.3 |
| 1941 High, | Sept. 9 | 219.9 |
| 1941 Low, | Feb. 17 | 171.6 |

# Non-Ferrous Metals — Upward Revision In Joplin Concentrate Starts Talk of Rise in Zinc

"Metal and Mineral Markets" in its issue of Sept. 18 reported that in what appeared to be a stable price situation in major non-ferrous metals, the zinc industry found last week that concentrate produced in the Tri-State area had been advanced 58c. per ton. This modest advance is expected to influence the zinc quotation slightly, and some producers, according to reports in the trade, stand ready to move up the price to 7.325c., St. Louis, early next week. Also, it is almost certain that the Metals Reserve Co. will pay a higher price for Chilean copper under the terms of the new contract. Ferro-chromium will be tract. Ferro-chromium will be raised 2c. a pound on fourth-quarter business. Other ferro-alloys will remain unchanged.

### Copper

Unconfirmed reports from Washington indicate that the deal to purchase Chilean copper is being renewed, but at a price higher than 11c. a pound, United States ports. Some of these reports name 11½c. as the price. The former transaction involving large tonnages of Latin American copper was closed at the equivalent of 10c. The Metals Reserve Co. has been releasing foreign copper to domestic consumers on the basis of 12c., Valley. Sales of bonded copper in the New York market were reported during the last week at 11c., f.a.s. basis.

The domestic market for copper was absorbed with arranging for deliveries and taking care of pressing business. The quotation continued at 12c., Valley. Priorities on scrap copper and brass are expected to tighten control of the flow of such material.

Domestic sales for the last week totaled 26,923 tons, making the total for the month so far 59,888 tons.

Domestic deliveries of copper dropped from 143,089 tons in July to 117,262 tons in August. The industry attached no special significance to this reduction. July deliveries were pushed hard in anticipation of full priorities.

The revenue measure passed by the Senate repeals the expiration date of the 1932 excise taxes, which is June 30, 1945. Final enactment of the bill will make the import duty of 4c. a pound on copper a "permanent" fixture.

### Lead

Advices from Washington indicate that an order regulating the distribution of lead will probably be announced in a month or so. Demand continues active and larger tonnages will be needed if all requests for the metal are to be taken care of. Call for lead alloys to replace other metals is still growing, according to trade authorities.

Metals Reserve released approximately 30,000 tons of foreign lead to domestic consumers during September. October allocations will be fixed late this month, according to present plans.

The price situation was unchanged, quotations holding at 5.85c., New York, the settling basis of the American Smelting & Refining Company, and 5.70c., St. Louis. Sales of common lead by domestic producers for the week involved 4,933 tons.

### Zinc

There was talk in the industry of an upward revision in the price of Prime Western zinc to compensate for an uplift of 58c. per ton in zinc concentrate in the Tri-State market. The figure mentioned most frequently was 7.325c. per pound. All business booked during the last week was at 7.25c., St. Louis. Sales of common zinc for the calendar week ended Sept. 13 amounted to 3,312 tons, with shipments in the same period of 5,990 tons. The backlog dropped to 60,677 tons.

In completing construction of a plant to treat between 300 and 400 tons of slag daily, the International Smelting & Refining Co., Tooele, Utah, Anaconda subsidiary, will add 40 tons of zinc daily to production in this country. Zinc oxide will be recovered at high temperature, nodulized, and shipped to the electrolytic zinc refinery of Anaconda.

### Tin

Despite rumors to the effect that the Government is considering taking over the purchase and distribution of tin in this country, the market in the Far East continued firm and operators there showed little interest in the possibility of such a development. Russia has been mentioned as buying tin. Demand for tin during the last week in New York was fair, centering chiefly in October metal. Loss of 1,200 tons of tin on the Dutch vessel "Kota Napon" is generally conceded in trade circles.

Straits tin for future arrival was as follows:

| | Sept. | Oct. | Nov. | Dec. |
|---|---|---|---|---|
| Sept. 11 | 52,000 | 52,000 | 52,000 | 52,000 |
| Sept. 12 | 52,000 | 52,000 | 52,000 | 52,000 |
| Sept. 13 | 52,000 | 52,000 | 52,000 | 52,000 |
| Sept. 15 | 52,000 | 52,000 | 52,000 | 52,000 |
| Sept. 16 | 52,000 | 52,000 | 52,000 | 52,000 |
| Sept. 17 | 52,000 | 52,000 | 52,000 | 52,000 |

Chinese tin, 99%, spot, was nominally as follows: Sept. 11th, 51.125c.; 12th, 51.125c.; 13th, 51.125c.; 15th, 51.125c.; 16th, 51.125c.; 17th, 51.125c.

DAILY PRICES OF METALS ("E. & M. J." QUOTATIONS)

| Sept. | Electrolytic Copper— Dom., Refy. | Electrolytic Copper— Exp., Refy. | Straits Tin, New York | Lead— New York | Lead— St. Louis | Zinc St. Louis |
|---|---|---|---|---|---|---|
| 11 | 11.775 | 10.950 | 52.000 | 5.85 | 5.70 | 7.25 |
| 12 | 11.775 | 10.950 | 52.000 | 5.85 | 5.70 | 7.25 |
| 13 | 11.775 | 10.950 | 52.000 | 5.85 | 5.70 | 7.25 |
| 15 | 11.775 | 10.950 | 52.000 | 5.85 | 5.70 | 7.25 |
| 16 | 11.775 | 10.950 | 52.000 | 5.85 | 5.70 | 7.25 |
| 17 | 11.775 | 10.950 | 52.000 | 5.85 | 5.70 | 7.25 |
| Average | 11.775 | 10.950 | 52.000 | 5.85 | 5.70 | 7.25 |

Average prices for calendar week ended Sept. 13 are: Domestic copper f.o.b. refinery, 11.775c.; export copper, f.o.b. refinery 10.950c.; Straits tin, 52.000c.; New York lead, 5.850c.; St. Louis lead, 5.700c.; St. Louis zinc, 7.250c.; and silver, 34.750c.

The above quotations are "M. & M. M's" appraisal of the major United States markets, based on sales reported by producers and agencies. They are reduced to the basis of cash, New York or St. Louis, as noted. All prices are in cents per pound.

Copper, lead and zinc quotations are based on sales for both prompt and future deliveries; tin quotations are for prompt delivery only.

In the trade, domestic copper prices are quoted on a delivered basis; that is, delivered at consumers' plants. As delivery charges vary with the destination, the figures shown above are net prices at refineries on the Atlantic seaboard. Delivered prices in New England average 0.225c. per pound above the refinery basis.

Export quotations for copper are reduced to net at refineries on the Atlantic seaboard. On foreign business, owing to the European War, most sellers are restricting offerings to f.a.s. transactions, dollar basis. Quotations for the present reflect this change in method of doing business. A total of .05c. is deducted from f.a.s. basis (lighterage, etc.) to arrive at the f.o.b. refinery quotation.

Due to the European war the usual table of daily London prices is not available. Prices on standard tin, the only prices given, however, are as follows: Sept. 11, spot, £256½, three months, £259½; Sept. 12, spot, £256¼, three months, £259½; Sept. 15, spot £257, three months, £259¾; Sept. 16, spot, £256¾, three months, £259½; and Sept. 17, spot, £256½, three months, £259½.

# Weekly Coal And Coke Production Statistics

The current weekly coal report of the Bituminous Coal Division, U. S. Department of the Interior revealed that the total production of bituminous coal in the week ended Sept. 6 is estimated at 9,600,000 net tons. The decrease from the preceding week, 1,375,000 tons, or 12.5%, was due to the universal observance at the mines of the Labor Day holiday on Monday. Production in the corresponding week of 1940 amounted to 7,954,000 tons.

The U. S. Bureau of Mines, in its report stated that the production of Pennsylvania anthracite for the week ended Sept. 6 was estimated at 1,217,000 tons, a decrease of 16,000 tons from the preceding week. Output in the corresponding week of 1940 amounted to 837,000 tons.

ESTIMATED UNITED STATES PRODUCTION OF SOFT COAL WITH COMPARABLE DATA ON PRODUCTION OF CRUDE PETROLEUM

(In Thousands of Net Tons)

| | Week Ended | | | Calendar Year to Date | | |
|---|---|---|---|---|---|---|
| | 1941 Sept. 6 | 1941 Aug. 30 | 1940 Sept. 7 | | | |
| Bituminous coal—a | | | | | | |
| Total, incl. mine fuel | 9,600 | 10,975 | 7,954 | 328,519 | 302,437 | 355,156 |
| Daily average | d1,920 | 1,829 | 1,591 | 1,573 | 1,430 | 1,670 |
| Crude petroleum—b | | | | | | |
| Coal equiv. of weekly output | 6,111 | 6,415 | 5,805 | 214,249 | 213,579 | 158,003 |

(a) Includes for purposes of historical comparison and statistical convenience the production of lignite. (b) Total barrels produced during the week converted to equivalent coal assuming 6,000,000 B.t.u. per barrel of oil and 13,100 B.t.u. per pound of coal. Note that most of the supply of petroleum products is not directly competitive with coal. (Minerals Yearbook, 1939, page 702.) (c) Revised. (d) Average based on five working days. (e) Sum of 36 weeks ended Sept. 6, 1941 and corresponding 36 weeks in 1940 and 1929.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND BEEHIVE COKE (In Net Tons)

| | Week Ended | | | Calendar Year to Date | | |
|---|---|---|---|---|---|---|
| | Sept. 6 1941 | Aug. 30 1941 | Sept. 7 1940 | 1941 | 1940 a | 1929 a |
| Penn. Anthracite— | | | | | | |
| Total, incl. colliery fuel b | 1,217,000 | 1,233,000 | 837,000 | 37,095,000 | 34,493,000 | 47,011,000 |
| Comm'l prod'n c | 1,156,000 | 1,171,000 | 795,000 | 35,246,000 | 32,768,000 | 43,626,000 |
| Beehive Coke— | | | | | | |
| U. S. total | 136,400 | 132,600 | 59,800 | 4,119,600 | 1,520,900 | 4,722,400 |
| Daily average | 22,733 | 22,100 | 9,967 | 19,341 | 7,140 | 22,174 |

(a) Adjusted to comparable periods in the three years. (b) Includes washery and dredge coal, and coal shipped by truck from authorized operations. (c) Excludes colliery fuel.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES

(In Thousands of Net Tons)

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

| State | Week Ended | | | | | Aug. average 1923 e |
|---|---|---|---|---|---|---|
| | Aug. 30, 1941 | Aug. 23, 1941 | Aug. 31, 1940 | Sept. 2, 1939 | Aug. 31, 1929 | |
| Alaska | 3 | 2 | 2 | 3 | f | f |
| Alabama | 366 | 343 | 301 | 247 | 345 | 397 |
| Arkansas and Oklahoma | 103 | 91 | 89 | 72 | 100 | 84 |
| Colorado | 141 | 122 | 122 | 112 | 176 | 173 |
| Georgia and North Carolina | 1 | 1 | 1 | * | f | f |
| Illinois | 1,070 | 1,122 | 1,007 | 862 | 1,189 | 1,363 |
| Indiana | 472 | 465 | 370 | 264 | 354 | 440 |
| Iowa | 34 | 32 | 50 | 59 | 72 | 100 |
| Kansas and Missouri | 143 | 149 | 133 | 118 | 126 | 145 |
| Kentucky—Eastern | 936 | 900 | 787 | 829 | 978 | 765 |
| Western | 250 | 208 | 166 | 172 | 290 | 217 |
| Maryland | 37 | 36 | 23 | 24 | 45 | 44 |
| Michigan | 8 | 9 | 6 | 16 | 17 | 21 |
| Montana | 67 | 62 | 60 | 44 | 74 | 50 |
| New Mexico | 18 | 20 | 23 | 19 | 50 | 49 |
| North and South Dakota | 28 | 20 | 30 | 22 | f 16 | f 20 |
| Ohio | 680 | 663 | 437 | 404 | 498 | 871 |
| Pennsylvania bituminous | 2,710 | 2,665 | 2,208 | 1,844 | 2,867 | 3,734 |
| Tennessee | 141 | 143 | 110 | 104 | 106 | 118 |
| Texas | 8 | 8 | 12 | 17 | 26 | 24 |
| Utah | 93 | 89 | 75 | 59 | 84 | 83 |
| Virginia | 415 | 405 | 299 | 303 | 261 | 248 |
| Washington | 31 | 31 | 35 | 30 | 49 | 47 |
| West Virginia—Southern a | 2,256 | 2,177 | 2,002 | 1,994 | 2,276 | 1,515 |
| Northern b | 841 | 848 | 614 | 541 | 752 | 875 |
| Wyoming | 135 | 138 | 110 | 102 | 129 | 154 |
| Other Western States c | 2 | 1 | * | * | f 6 | f 4 |
| Total bituminous coal | 10,975 | 10,750 | 9,072 | 8,211 | 10,886 | 11,538 |
| Pennsylvania anthracite d | 1,233 | 1,258 | 864 | 929 | 1,613 | 1,926 |
| Total, all coal | 12,208 | 12,008 | 9,936 | 9,140 | 12,499 | 13,464 |

a Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. b Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. c Includes Arizona, California, Idaho, Nevada, and Oregon. d Data for Pennsylvania anthracite from published records of the Bureau of Mines. e Average weekly rate for entire month. f Alaska, Georgia, North Carolina, and South Dakota included with "other Western States." * Less than 1,000 tons.

# Lumber Movement For Week Ended Sept. 6

Lumber production during the holiday week ended Sept. 6, 1941, was 15% less than the previous week; shipments were 24% less; new business 19% less, according to reports to the National Lumber Manufacturers Association from regional associations covering the operations of representative hardwood and softwood mills. Shipments were 0.1% below production; new orders 21% below production. Compared with the corresponding week of 1940 production was 9% greater, shipments 1% less, and new business 36% less. The industry stood at 116% of the average of production in the corresponding weeks of 1935-39 and 126% of average 1935-39 shipments in the same week.

*Year-to-date Comparisons*

Reported production for the 36 weeks of 1941 to date was 13% above corresponding weeks of 1940; shipments were 16% above the shipments and new orders were 13% above the orders of the 1940 period. For the 36 weeks of 1941 to date, new business was 3% above production, and shipments were 6% above production.

*Supply and Demand Comparisons*

The ratio of unfilled orders to gross stocks was 40% on Sept. 6, 1941, compared with 30% a year ago. Unfilled orders were 12% greater than a year ago; gross stocks were 16% less.

*Softwoods and Hardwoods*

Record for the current week ended Sept. 6, 1941, for the corresponding week a year ago, and for the previous week, follows in thousand board feet:

| | Softwoods and Hardwoods | | |
|---|---|---|---|
| | 1941 Week | 1940 Week | 1941 Prev. Week (Rev.) |
| Mills | 452 | 452 | 464 |
| Production | 245,023 | 225,592 | 287,461 |
| Shipments | 244,950 | 246,919 | 324,224 |
| Orders | 193,785 | 301,908 | 239,120 |

| | Softwoods 1941 Week | | Hardwoods 1941 Week | |
|---|---|---|---|---|
| Mills | 375 | | 89 | |
| Production | 233,708 | 100% | 11,315 | 100% |
| Shipments | 233,265 | 100 | 11,685 | 103 |
| Orders | 184,958 | 79 | 8,827 | 78 |

# Weekly Statistics of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Asociation, Chicago, Ill. in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

| Period | Orders Received Tons | Production Tons | Unfilled Orders Remaining Tons | Percent of Activity Current | Percent of Activity Cumulative |
|---|---|---|---|---|---|
| *1940—Month of—* | | | | | |
| January | 528,155 | 579,739 | 167,240 | 72 | 71 |
| February | 420,639 | 453,518 | 137,631 | 70 | 71 |
| March | 429,334 | 449,221 | 129,466 | 69 | 70 |
| April | 520,907 | 456,942 | 193,411 | 70 | 70 |
| May | 682,490 | 624,184 | 247,644 | 76 | 72 |
| June | 508,005 | 509,781 | 236,693 | 79 | 73 |
| July | 544,221 | 587,339 | 196,037 | 72 | 73 |
| August | 452,613 | 487,127 | 162,653 | 74 | 73 |
| September | 468,870 | 470,228 | 163,769 | 72 | 73 |
| October | 670,473 | 648,611 | 184,002 | 79 | 73 |
| November | 488,990 | 509,945 | 161,985 | 77 | 73 |
| December | 464,537 | 479,099 | 151,729 | 71 | 73 |
| *1941—Month of—* | | | | | |
| January | 673,446 | 629,863 | 202,417 | 75 | -- |
| February | 608,521 | 548,579 | 261,650 | 81 | -- |
| March | 652,128 | 571,050 | 337,022 | 82 | -- |
| April | 857,732 | 726,460 | 447,525 | 83 | -- |
| May | 656,437 | 602,323 | 488,993 | 84 | -- |
| June | 634,684 | 608,995 | 509,231 | 88 | -- |
| July | 509,231 | 807,440 | 737,420 | 86 | -- |
| August | 659,722 | 649,031 | 576,529 | 94 | -- |
| *Week Ended* 1941— | | | | | |
| May 3 | 165,583 | 147,188 | 447,525 | 83 | 80 |
| May 10 | 170,436 | 148,381 | 466,064 | 84 | 80 |
| May 17 | 161,295 | 149,884 | 472,782 | 84 | 80 |
| May 24 | 168,875 | 152,410 | 489,915 | 85 | 81 |
| May 31 | 155,831 | 151,648 | 488,993 | 84 | 81 |
| June 7 | 156,188 | 144,481 | 500,252 | 84 | 81 |
| June 14 | 158,821 | 156,439 | 504,786 | 88 | 81 |
| June 21 | 168,561 | 153,364 | 518,755 | 88 | 82 |
| June 28 | 151,114 | 154,711 | 509,231 | 90 | 82 |
| July 5 | 149,197 | 129,019 | 529,633 | 74 | 82 |
| July 12 | 147,365 | 131,531 | 542,738 | 77 | 82 |
| July 19 | 168,431 | 156,989 | 550,902 | 92 | 81 |
| July 26 | 182,603 | 160,609 | 572,532 | 92 | 82 |
| Aug. 2 | 159,844 | 159,272 | 572,635 | 93 | 83 |
| Aug. 9 | 174,815 | 159,894 | 587,498 | 91 | 83 |
| Aug. 16 | 169,472 | 162,889 | 592,840 | 92 | 83 |
| Aug. 23 | 158,403 | 162,964 | 584,484 | 94 | 83 |
| Aug. 30 | 157,032 | 163,284 | 576,529 | 97 | 84 |
| Sept. 6 | 147,086 | 133,031 | 591,414 | 80 | 84 |
| Sept. 13 | 164,057 | 166,781 | 589,770 | 98 | 84 |

*Note*—Unfilled orders of the prior week plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled from stock, and other items made necessary adjustments of unfilled orders.

# Treasury Reports Total Gross Public Debt At $50,920,960,233 Outstanding Aug. 31

The Treasury Department made public on Sept. 4 its monthly report showing the face amount of public debt obligations issued under the Second Liberty Bond Act (as amended) outstanding Aug. 31, 1941, totaled $51,533,762,006 thus leaving the face amount of obligations which may be issued subject to the $65,000,000,000 statutory debt limitation at $13,466,237,994. In another table in the report the Treasury indicates that from the total face amount of outstanding public debt obligations ($51,533,762,006) should be deducted $1,188,402,184 (the unearned discount on savings bonds), reducing the total to $50,345,359,822, and to this figure should be added $575,600,411, the other public debt obligations outstanding, which however, are not subject to the debt limitation. Thus the total gross public debt outstanding on Aug. 31 is shown as $50,920,960,233.

The following is the Treasury's report as of Aug. 31.

Section 21 of te Second Liberty Bond Act, as amended, provides that the face amount of obligations issued under authority of that Act "shall not exceed in the aggregate $65,000,000,000 outstanding at any one time,"

The following table shows the face amount of obligations outstanding and the face amount which can still be issued under this limitation:

| | | | |
|---|---|---|---|
| Total face amount of bonds, savings bonds, certificates, bills, notes, savings certificates, stamps, etc., which may be outstanding at any one time | | | $65,000,000,000 |
| Outstanding as of Aug. 31, 1941: | | | |
| Interest-bearing: | | | |
| Bonds— | | | |
| Treasury | $30,168,526,350 | | |
| Savings (maturity value)* | 6,096,191,325 | | |
| Depositary | 51,649,550 | | |
| Adjusted Service | 737,595,706 | $37,053,962,931 | |
| Treasury Notes | $10,207,015,725 | | |
| Certificates of Indebtedness | 2,498,000,000 | | |
| Treasury bills (maturity value) | 1,603,897,000 | 14,308,912,725 | |
| | | $51,362,875,656 | |
| Matured obligations, on which interest has ceased | | 170,886,350 | 51,533,762,006 |
| Face amount of obligations issuable under above authority | | | 13,466,237,994 |

Reconcilement with Daily Statement of the United States Treasury Aug. 31, 1941

| | | |
|---|---|---|
| Total face amount of outstanding public debt obligations issued under authority of the Second Liberty Bond Act, as amended | | $51,533,762,006 |
| Deduct, unearned discount on Savings bonds (difference between current redemption value and maturity value) | | 1,188,402,184 |
| | | $50,345,359,822 |
| Add other public debt obligations outstanding but not subject to the statutory limitation: | | |
| Interest-bearing (Pre-War, etc.) | $ 196,046,600 | |
| Matured obligations on which interest has ceased | 12,655,400 | |
| Bearing no interest | 366,898,411 | 575,600,411 |
| Total gross debt outstanding as of Aug. 31, 1941 | | $50,920,960,233 |

*Approximate maturity value. Principal amount (current redemption value) according to preliminary public debt statement $4,907,789,141.

# Petroleum And Its Products

(Continued from Page 213)

agreement can be reached between the pipeline companies and the Government on future policy, the three test cases will be dismissed and a consolidated case filed in the District of Columbia court for the purpose of having a court record of the consent decree. Denial that the consent decree movement was affected in any way by the controversy over the building of new piplines for national defense was made by Justice officials who pointed out that the terms of construction of the new lines removed them from the classification of common carrier.

Aided by an extra day's production in Texas, daily average crude oil output in the United States jumped approximately 220,000 barrels during the week ended September 13 to a new high for the industry of 4,033,700 barrels, against the Bureau of Mines market demand estimate for September of 3,960,000 barrels. The American Petroleum Institute report also disclosed that the new high was 29,000 barrels above the former peak established on August 30 of this year when production hit a daily average of 4,003,700 barrels.

Texas, with a gain of 213,650 barrels over the previous week to 1,466,600 barrels, was the main reason for the record flow of black gold. Kansas, California and Louisiana showed higher totals but Oklahoma and Illinois wells showed sharp curtailment of production during the period. Stocks of American and foreign crude oil were off 1,885,000 barrels during the initial week of September, the Bureau of Mines reported September 14, dropping to 247,528,000 barrels. Holdings of American crude were off 1,576,000 barrels with imported crude stocks down 309,000 barrels.

There were no crude oil price changes posted during the week.

### Refined Products

Motor fuel inventories showed a sharp contraction during the September 13 period as better-than-seasonal drains upon holdings cut down stocks materially despite higher production of gasoline and increased refinery operations. On the basis of figures supplied in the mid-week report of the American Petroleum Institute, demand for gasoline throughout the nation as a whole showed a 10 per cent gain over the previous seven-day period.

Holdings of aviation gasoline showed a gain of better than 260,000 barrels during the week but stocks of finished and unfinished gasoline were off 1,016,000 barrels to 80,555,000 barrels. East Coast stocks were off 565,000 barrels, accounting for better than half of the nation's loss in holdings, dropping to 19,238,000 barrels. Production of gasoline during the period gained 107,000 barrels to 13,460,000 barrels.

Daily average runs of crude oil to stills neared the all-time high, showing a spurt of 15,000 barrels during the Septmber 13 week to again pass the 4-Million level at 4,010,000 barrels. Refinery operations were up 0.4 of a point, to 93.3 per cent of capacity from 92.9 per cent of capacity in the previous week. Residual fuel oil stocks were up 628,000 barrels while holdings of gas oil and distillate expanded 1,144,000 as refiners sought to build stocks of these two products in anticipation of heavy winter demand.

Gasoline prices, generally speaking were stronger throughout the shortage-threatened East Coast area, with price schedules in many sections ignoring the "fair price" listings recently issued by Leon Henderson. What

(Continued on Page 216)

# Wholesale Prices Reach Highest Level Since Early 1930 During The Week Ended Sept. 6

Continued advances in prices for agricultural products and cotton and woolen textiles brought the general level of wholesale commodity prices to the highest point since early 1930, Acting Commissioner Hinrichs of the Bureau of Labor Statistics reported on Sept. 11. "The Bureau's weighted index of nearly 900 price series rose to 91.0% of the 1926 average," Mr. Hinrichs said, "and is nearly 17% higher than it was a year ago. Almost 6% of the advance has occurred in the past 3 months."

During the last week in August Mr. Hinrichs reported the Bureau's index advancing 0.7% as a result of marked increases in prices for basic farm products and processed foods. Substantially higher prices were also reported for lumber, for cotton and woolen textiles and clothing and for other industrial groups. During the month of August wholesale commodity prices rose 1.6% to the highest level in 12 years. For the week ended Aug. 30 the Bureau's index was 16.6% above the average for the corresponding week of last year and 20.8% higher than for August, 1939, immediately preceding the outbreak of war in Europe.

With regard to other changes in the latest week for which figures are available (Sept. 6), the Bureau's announcement said:

> Each of the 10 major commodity groups except metals and metal products shared in the advance. The increases during the week range from 0.1% for fuel and lighting materials to 0.5% for foods, 0.6% for farm products and 0.8% for textile products. Prices for all groups of commodities are substantially higher than a year ago. During the year period farm product prices have risen over 30%; foods and textile products, more than 20%; and hides and leather products, fuel and lighting materials, building materials, chemicals and allied products and miscellaneous commodities, over 10%. Housefurnishing goods are approximately 8% above a year ago and metals and metal products have advanced about 4% since the corresponding week of last year.
>
> Outstanding price changes during the week in agricultural products were an advance of 5.5% for cattle feed, which has risen 20% since the first of July; 1.7% for grains, led by increases of over 5% for barley, 4% for oats and 3% for rye. Wheat and corn advanced slightly. Quotations were also higher for livestock, eggs, milk, cotton, seeds and potatoes. All dairy products advanced. Most meatas were higher than a week ago, as well as edible fats and oils and cereal products. Fruit and vegetable prices went down 2.3% as a result of seasonal declines for apples, bananas and citrus fruits.
>
> Price advances in industrial commodity markets were fairly widespread. Wholesale prices for woolen and worsted yard goods rose sharply during the week and quotations were also higher for cotton materials, including carded yarns, damask, ticking and toweling. Lumber advanced nearly 1% and it is now 8½% above the early July level. Higher prices were reported for birch, maple and oak flooring and for yellow pine boards and flooring, although quotations were lower for yellow pine finish, lath and timbers. Paint materials continued to advance, led by an increase of over 13% for turpentine. Sharp increases were reported in prices for tartaric acid, cream of tartar, carbon tetrachloride and for certain types of mixed fertilizers.
>
> Inedible fats and oils again advanced 0.7% and are 100% higher than they were at the beginning of the year.

The following tables show (1) index numbers for the principal groups of commodities for the past 3 weeks, for Aug 9, 1941 and for Sept. 7, 1940 and the percentage changes from a week ago, a month ago, and a year ago (2) percentage changes in sub-group indexes from Aug. 30 to Sept. 6, 1941.

(1926 = 100)

| | 9-6 1941 | 8-30 1941 | 8-23 1941 | 8-9 1941 | 9-7 1940 | Percentage changes to Sept. 6, 1941 from 8-30 1941 | 8-9 1941 | 9-7 1940 |
|---|---|---|---|---|---|---|---|---|
| ALL COMMODITIES | 91.0 | 90.6 | 90.0 | 89.6 | 78.0 | + 0.4 | + 1.6 | +16.7 |
| Farm products | 89.1 | 88.6 | 86.7 | 87.8 | 67.6 | + 0.6 | + 1.5 | +31.8 |
| Foods | 88.6 | 88.2 | 87.0 | 86.2 | 71.6 | + 0.5 | + 2.8 | +23.7 |
| Hides and leather products | 111.2 | 110.9 | 110.8 | 109.9 | 97.8 | + 0.3 | + 1.2 | +13.7 |
| Textile products | 88.3 | 87.6 | 87.3 | 87.1 | 71.8 | + 0.8 | + 1.4 | +23.0 |
| Fuel and lighting materials | 79.9 | 79.8 | 79.8 | 79.6 | 71.8 | + 0.1 | + 0.4 | +11.3 |
| Metals and metal products | 98.7 | 98.7 | 98.6 | 98.6 | 95.0 | 0 | + 0.1 | + 3.9 |
| Building materials | 106.0 | 105.7 | 105.2 | 104.2 | 94.5 | + 0.3 | + 1.7 | +12.2 |
| Chemicals and allied products | 86.0 | 85.8 | 85.9 | 85.7 | 76.8 | + 0.2 | + 0.4 | +12.0 |
| Housefurnishing goods | 97.1 | 96.9 | 96.8 | 95.9 | 90.0 | + 0.2 | + 1.3 | + 7.9 |
| Miscellaneous commodities | 84.5 | 84.1 | 83.6 | 83.0 | 76.4 | + 0.5 | + 1.8 | +10.6 |
| Raw materials | 88.5 | 88.1 | 86.9 | 87.4 | 70.9 | + 0.5 | + 1.3 | +24.8 |
| Semimanufactured articles | 90.0 | 89.7 | 89.4 | 88.9 | 76.8 | + 0.3 | + 1.2 | +17.2 |
| Manufactured products | 92.6 | 92.2 | 91.8 | 91.0 | 81.8 | + 0.4 | + 1.8 | +13.2 |
| All commodities other than farm products | 91.4 | 91.0 | 90.7 | 90.0 | 80.3 | + 0.4 | + 1.6 | +11.1 |
| All commodities other than farm products and foods | 91.4 | 91.1 | 90.9 | 90.6 | 82.3 | + 0.3 | + 0.9 | +11.1 |

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM AUG. 30 to SEPT. 6, 1941

Increases

| | | | |
|---|---|---|---|
| Cattle feed | 5.5 | Drugs and pharmaceuticals | 0.4 |
| Woolen and worsted goods | 2.5 | Fertilizer materials | 0.4 |
| Grains | 1.7 | Cereal products | 0.4 |
| Cotton goods | 1.1 | Plumbing and heating | 0.3 |
| Meats | 1.1 | Furnishings | 0.3 |
| Dairy products | 1.0 | Livestock and poultry | 0.3 |
| Leather | 0.9 | Other textile products | 0.2 |
| Lumber | 0.9 | Other miscellaneous | 0.2 |
| Oils and fats | 0.7 | Anthracite | 0.1 |
| Hides and skins | 0.6 | Agricultural implements | 0.1 |
| Bituminous coal | 0.6 | Chemicals | 0.1 |
| Other farm products | 0.6 | Mixed fertilizers | 0.1 |
| Other foods | 0.6 | Furniture | 0.1 |
| Paint and paint materials | 0.5 | Paper and pulp | 0.1 |

Decreases

| | |
|---|---|
| Fruits and vegetables | 2.3 |

# Fertilizer Association Commodity Price Index Rises To Highest Level Since April 1930

The general level of wholesale commodity prices rose still further last week, according to the index compiled by The National Fertilizer Association and issued Sept. 15. In the week ended September 13 this index rose to 116.8 from 115.8 in the preceding week. It is now at the highest point registered since April 1930 and is only 8 per cent under the 1929 high point of 126.7. The index was 113.7 a month ago and 96.7 a year ago, based on the 1935-1939 average as 100.

The all-commodity index went still higher last week as eight of the eleven principal group indexes advanced and none declined. The food price index continued its upward trend, with 14 items included in the group advancing and only rice and beef declining. The prices of cattle and lambs were sufficiently lower than the increases in hogs and poultry to cause a decline in the livestock index. Cotton and grain prices moved upward more than offsetting the effect of the decrease in livestock on the farm product price index; the net result was another upturn in the farm product group average. The largest gain from the preeeding week was recorded by the building material index, reflecting higher prices for lumber and brick. The textile average was again higher last week. A sharp advance in the price of glycerine was responsible for the increase in the chemical and drug index. Gasoline quotations were higher resulting in a fractional advance in the fuel average. The fertilizer material index rose last week; an advance in the price of nitrate of soda was due to higher burlap bag quotations. The index of miscellaneous commodities also advanced.

During the week 40 price series included in the index advanced and 6 declined; in the preceding week there were 34 advances and 8 declines; in the second preceding week there were likewise 34 advances and 8 declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX
Compiled by The National Fertilizer Association
1935-1939=100*

| % Each Group Bears to the Total Index | GROUP | Latest Week Sep. 13, 1941 | Preceding Week Sep. 6, 1941 | Month Ago Aug. 9, 1941 | Year Ago Sep. 14, 1940 |
|---|---|---|---|---|---|
| 25.3 | Foods | 113.3 | 112.6 | 108.2 | 91.3 |
| | Fats and Oils | 130.6 | 125.5 | 119.2 | 64.8 |
| | Cottonseed Oil | 159.6 | 150.7 | 136.8 | 63.0 |
| 23.0 | Farm Products | 120.8 | 119.6 | 116.0 | 85.5 |
| | Cotton | 168.0 | 162.3 | 155.2 | 87.9 |
| | Grains | 112.0 | 108.5 | 103.3 | 79.1 |
| | Livestock | 113.9 | 114.2 | 111.6 | 85.6 |
| 17.3 | Fuels | 110.8 | 110.6 | 110.4 | 101.9 |
| 10.8 | Miscellaneous Commodities | 126.2 | 124.6 | 121.9 | 109.7 |
| 8.2 | Textiles | 138.8 | 138.0 | 140.0 | 102.1 |
| 7.1 | Metals | 103.8 | 103.8 | 103.9 | 101.4 |
| 6.1 | Building Materials | 123.8 | 119.5 | 118.5 | 105.3 |
| 1.3 | Chemicals and Drugs | 107.5 | 106.3 | 106.2 | 103.7 |
| .3 | Fertilizer Materials | 113.6 | 112.7 | 112.6 | 101.7 |
| .3 | Fertilizers | 107.1 | 107.1 | 106.4 | 103.0 |
| .3 | Farm Machinery | 99.3 | 99.3 | 99.3 | 99.3 |
| 100.0 | All Groups Combined | 116.8 | 115.8 | 113.7 | 96.7 |

* Base period changed January 4 from 1926-1928 average to 1935-1939 average as 100. Indexes on 1926-1928 base were: Sept. 13, 1941, 91.0; Sept. 6, 1941, 90.2; Sept. 14, 1940, 75.3.

# World Prices Steady

General Motors Corp. and Cornell University, which prior to the European war had collaborated in the publication of a world commodity price index, have resumed issuance of international price statistics, but on a different basis than before the war. Instead of a composite index of world prices, these organizations now are publishing the information only as individual country indexes.

The index is built upon 40 basic commodities and the list is the same for each country in so far as possible. Each commodity is weighted uniformly for each country, according to its relative importance in *world* production. The actual price data are collected weekly by General Motors overseas operations from sources described as "the most responsible agencies available in each country, usually a government department." The commodities involved include "a comprehensive list of several groups, including grains, livestock and livestock products, miscellaneous foods (coffee, cocoa. tea, sugar, &c.), textiles, fuels, metals and a list of other miscellaneous materials (rubber, hides, lumber, newsprint, linseed oil, &c.)." Weights assigned in the index to the different commodity groups are as follows: Grains, 20; livestock and livestock products, 19; vegetable fats and other foods, 9; textiles, 12; fuel, 11; metals, 11; miscellaneous, 18.

The indexes, which are based on prices expressed in the currency of each country, were reported Sept. 15 as follows:

(August, 1939=100)

| | *Argentina* | *Australia* | *Canada* | *England* | *Java* | *Mexico* | *New Zeal'd* | *Sweden* | *Switzerland* | *United States* |
|---|---|---|---|---|---|---|---|---|---|---|
| 1940— | | | | | | | | | | |
| May | 120 | 118 | 120 | 143 | 116 | 113 | 112 | 131 | 132 | 112 |
| June | 118 | 118 | 120 | 144 | 116 | 113 | 114 | 131 | 136 | 109 |
| July | 118 | 118 | 120 | 145 | 115 | 112 | 114 | 132 | 140 | 109 |
| August | 118 | 119 | 120 | 150 | 115 | 111 | 120 | 132 | 144 | 109 |
| September | 116 | 120 | 121 | 145 | 116 | 110 | 122 | 135 | 153 | 111 |
| October | 113 | 123 | 122 | 145 | 117 | 110 | 120 | 139 | 158 | 114 |
| November | 113 | 125 | 124 | 146 | 118 | 111 | 118 | 142 | 164 | 118 |
| December | 113 | 126 | 126 | 149 | 120 | 111 | 119 | 144 | 168 | 118 |
| 1941— | | | | | | | | | | |
| January | 114 | 127 | 126 | 150 | r120 | 111 | 119 | 144 | r172 | 120 |
| February | 114 | 126 | 127 | 150 | 121 | 113 | 119 | 147 | 171 | 120 |
| March | 119 | 122 | 129 | 150 | 123 | 114 | 119 | 154 | 176 | 122 |
| April | 121 | 121 | 131 | 150 | 125 | 115 | 119 | 156 | 180 | 125 |
| May | 126 | 120 | 134 | r152 | 129 | 117 | 120 | 156 | 189 | 129 |
| June | 133 | 121 | 137 | 155 | 131 | 119 | 121 | 155 | 193 | 132 |
| July | 136 | 120 | 142 | 158 | 137 | 123 | 123 | 156 | 194 | 137 |
| 1941— Weeks end.: | | | | | | | | | | |
| July 5 | r133 | 121 | 139 | r155 | 134 | 123 | 121 | 154 | *194 | r135 |
| July 12 | 133 | 121 | 141 | r156 | 134 | 126 | 121 | 156 | 194 | 137 |
| July 19 | 133 | 121 | 141 | r156 | 136 | 126 | 122 | 155 | 194 | r136 |
| July 26 | 133 | 120 | 143 | r157 | r137 | r126 | 124 | 155 | 194 | 137 |
| Aug. 2 | r135 | 120 | 142 | 157 | 138 | r127 | 123 | 156 | 194 | 137 |
| Aug. 9 | r135 | 120 | 142 | r157 | 137 | r126 | 123 | 156 | *194 | r138 |
| Aug. 16 | 137 | 120 | 142 | *157 | 138 | 127 | 123 | 156 | ---- | 137 |
| Aug. 23 | 138 | r121 | 143 | *157 | 139 | 128 | 123 | 156 | ---- | 139 |
| Aug. 30 | 138 | 121 | 143 | *154 | 138 | 127 | 123 | 156 | ---- | 140 |
| Sept. 6 | 138 | 122 | 144 | *153 | 138 | 128 | 123 | 156 | ---- | 141 |

* Preliminary. *r* Revised

# Members Of Moscow Mission Are Named

President Roosevelt announced on Sept. 3 the names of those who will compose the United States mission which will soon go to Moscow to discuss with British and Soviet representatives the Russian supply problem in the latter's war against Germany. As previously announced, W. Averell Harriman, Lease-Lend Expediter in London, will head the mission. The other members are:

Major General James H. Burns, Executive Officer in the Division of Defense Aid Reports.
Major General George H. Brett, Chief of the Army Air Corps.
Admiral William H. Standley, former Chief of Naval Operations, now retired.
William L. Batt, Deputy Director of the Production Division of the Office of Production Management.

In addition the White House announced on Sept. 3 that about nine technicians will accompany the five-man mission.

The White House also disclosed that the British mission will be headed by Lord Beaverbrook, British Supply Minister who recently conferred with defense officials in Washington, after participating in the sea parleys between the President and Prime Minister Winston Churchill.

The White House announcement said:

> The mission will join with a similarly constituted British mission under the chairmanship of Lord Beaverbrook for a conference in Moscow with the Russian Government regarding the supplying to Russia by the United States and Great Britain of munitions, raw materials, and other supplies needed by Russia for her defense against German aggression.
>
> The holding of this conference was agreed to between the President and the Prime Minister at their recent meeting at sea.

The appointment of Mr. Harriman was referred to in our issue of Sept. 4, page 11.

# Petroleum And Its Products

(*Continued from Page* 215)

action, if any, the Government will take to bring prices back into line with those recommended by Mr. Henderson's department is interesting and is awaited by the trade. The outright defiance of the "fair price" table is not expected to continue long without some move by the Government.

During August, the major gasoline markets showed little fluctuation in the price schedule due mainly to the fact that the industry as a whole was watching the Government and its price movements closely. As of September 1, according to reports from 50 key cities compiled by the American Petroleum Institute, average service station prices were 13.94 cents a gallon, against 13.87 a month earlier and 12.33 on the comparable 1940 date. The net dealer price, before taxes, was 10.02 cents a gallon, against 10.04 on August 1 and 8.69 cents on September 1 last year. Including taxes, the consumer price averaged 19.89 cents a gallon, highest since November, 1937, compared with 19.82 a month earlier and 18.23 a year ago.

With colder weather only a question of weeks away, interest in heating oils along the East Coast showed its usual seasonal expansion during the past week. Heavy committments, made earlier in the season by consumers afraid of possible shortages this winter due to the transportation bottleneck affecting movements of crude from Gulf Coast ports to the Atlantic Seaboard, have held down the market somewhat. However, prices are showing a definitely stronger undertone and higher quotations may be expected when movements start at the the time of the first cold spell.

Through the cooperation of the Federal agencies controlling the distribution of petroleum products, restrictions on gasoline consumption were loosened in Maine, North and South Carolina and Florida to aid in crop movements to market this week. The Gulf Coast Refiners' Association this week released an analysis of the work of the Federal Oil Coordinator since Mr. Ickes appointment, which highly praised the work of the Federal agency.

# On The Foreign Front

### European Stock Markets

Excited and in some cases feverish sessions have developed on securities markets in the leading European financial centers. The dealings reflected with some accuracy the varying hopes and beliefs regarding the course of the war, but a curious unanimity nevertheless prevailed. All European markets rose sharply in the latter half of last week, and they moved downward in unison early this week.

Dealings on the London Stock Exchange were active throughout. The sessions to and including last Friday were marked by buying of gilt-edged, industrial, rail and otner stocks. Some of the South African gold shares especially were in favor. President Roosevelt's "shoot on sight" speech kept the market keyed up for a time. But liquidation finally appeared in the initial dealings this week, and some of the previous gains were wiped out. The gloomy aspects of the Russo-German campaign seemed partly respsonsible for the decline.

Among the Continental markets, Amsterdam gained most attention, owing to a sensational rise in prices last week that could only be attributed to a flight from the currency. Stocks of corporations domiciled in the East Indies, Britain or the United States jumped 5 to 15 points daily, and some issues attained heights that might seem fantastic, were it not for the currency problem. Early this week a reaction set in at Amsterdam, but the movement canceled only a part of the previous advance. The Berlin Boerse was strong up to the end of last week, and also engaged in a decline during the first half of the current week.

### *Toward Shooting War*

Rapid strides toward all-out participation by the United States in the European war were taken by President Roosevelt and his associates in various ways, during the last few days, and almost any hour is apt to bring the news that the shooting has begun. In a radio speech late on Sept. 11, the President summed up a number of incidents at sea involving American warships and merchant vessels and proceeded to throw the protecting mantle of American forces not only over all ships of the United States flag, but ships of "any flag." Such action was proclaimed as applicable in whatever waters are deemed necessary for our defense.

In quick succession, Secretary of State Cordell Hull implied that all the seven seas are to be regarded as vital for the defense of America, and Secretary of the Navy Frank Knox intimated that specific protection of merchant shipping at least to Iceland will be the order of the day. Axis submarines and raiders are to be destroyed wherever encountered, under orders given by Mr. Knox, Monday, to the Atlantic Fleet. The Attorney General, Francis Biddle, ruled on the same day that the neutrality laws will not prevent American merchant ships from entering belligerent ports unless they are specifically named in the legislation, and unless martial activities actually are in progress in such areas. Secretary of Agriculture Claude Wickard stated flatly on Monday that "this is our war—not somebody else's."

The starting point for this new push toward full engagement in the war was the encounter of the U. S. destroyer Greer and a German submarine, in waters southwest of Iceland, Sept. 4. President Roosevelt dilated on that incident in his radio speech, declaring emphatically that the submarine fired first upon the destroyer, without warning and with intent to sink the Greer. Last July, he disclosed, an American

(*Continued on Page 218*)

# The Capital Flotations In The United States During The Month Of August And For The Eight Months Of The Calendar Year 1941

With relatively few separate issues, the corporate capital flotations in August achieved the greatest aggregate dollar volume of any month since June 1937. The new capital portion alone was the greatest of any month since January 1931. A single debenture issue of American Telephone & Telegraph Co., however, by itself provided $233,584,900 of last month's corporate total of $401,829,900 and corporate new capital total of $327,402,743. This issue, all the proceeds of which were intended for new capital was offered to stockholders through rights in July but we have placed it in our August compilation as the rights expired in that month. The amount of the issue as shown in our tabulations is the aggregate offered, but to date complete figures on the result of the offering are not available. The final figures will probably show that a small percentage of the total offering was not subscribed, as this company's thousands of stockholders are spread over the entire world.

The month's corporate aggregate of $401,829,900 was about three times the July total of $130,037,550 and more than double August 1940's $180,831,672. The next highest monthly figure recorded this year was January's $324,316,342. In the new capital classification, August's $327,402,743 far overshadowed all recent months, comparing with only $43,569,170 in July and $67,938,134 in August 1940. No month since mid-1937 has even approached the size of August's new capital figure; the next highest monthly amount recorded since then was the $168,943,139 chalked up in November 1940, and A. T. & T. was also responsible for the greater part of that month's new capital volume, having sold a $140,000,000 issue for plant expansion purposes in that month.

American Telephone & Telegraph was not the only company participating heavily in August's capital issue market; two other utilities, Peoples Gas Light & Coke Co. and Wisconsin Power & Light Co. sold $37,000,000 and $32,500,000 securities respectively. Standard Oil Co. of California sold $40,000,000 debentures and notes; Atchison Topeka & Santa Fe Ry. sold $20,000,000 equipment trust certificates; and Safeway Stores, Inc. sold $14,000,000 debentures.

Refunding financing did not participate in the general expansion which took place last month, the volume of issues for this purpose dropping to $74,427,157 from $86,468,380 in July and $112,893,538 in August 1940. It was the smallest month's refunding since September last year.

The greatest part of August's corporation financing was carried out through sales to the public and only $67,040,000 or 16.7% of the total was placed privately. Only two of the larger issues of the month, Peoples Gas Light & Coke Co. bonds and Safeway Stores, Inc. debentures were among the private sales. The month's private placements exceeded July's, which amounted to $56,368,000 but they were not as great as the monthly average of $86,500,000 for the first half year. The August proportion of private to total sales was much lower, however, July's percentage amounting to 43% and the half year's, to 37.7%.

Federal agencies which have entered the capital market on a large scale in recent months, absented themselves from August's market. The Federal Intermediate Credit Banks brought out their customary monthly issue and this was the only one falling into the "Farm loan and government agencies" classification in our compilations. Municipal financing also dropped to a low level in August, the aggregate in this division amounting to only $43,477,722, the smallest of any month since September 1939, the first month of the European War. In July municipal issues totaled $54,844,829 and in August 1940, $75,019,089.

Below we present a tabulation of figures since January, 1939, showing the different monthly amounts of corporate financing as revised to date. Further revisions of the 1941 figures will undoubtedly be necessary from time to time, particularly as additional private financing is brought to light in annual reports and other places.

SUMMARY OF CORPORATE FIGURES BY MONTHS, 1941, 1940 AND 1939

| | *1941 | | | *1940 | | | *1939 | | |
|---|---|---|---|---|---|---|---|---|---|
| | New Capital | Refunding | Total | New Capital | Refunding | Total | New Capital | Refunding | Total |
| | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| January | 52,928,677 | 271,387,665 | 324,316,342 | 35,469,718 | 137,994,832 | 173,464,550 | 5,926,032 | 10,386,300 | 16,312,332 |
| February | 31,549,770 | 227,012,100 | 258,561,870 | 46,004,059 | 211,341,581 | 257,345,640 | 23,833,072 | 136,115,000 | 159,948,072 |
| March | 86,634,370 | 115,287,655 | 201,922,025 | 31,527,491 | 103,799,050 | 135,326,541 | 58,179,191 | 48,688,660 | 106,867,851 |
| First quarter | 171,112,817 | 613,687,420 | 784,800,237 | 113,001,268 | 453,135,463 | 566,136,731 | 87,938,295 | 195,189,960 | 283,128,255 |
| April | 39,469,665 | 107,180,735 | 146,650,400 | 59,175,210 | 192,497,442 | 251,672,652 | 78,200,042 | 181,769,350 | 259,969,392 |
| May | 63,874,177 | 197,102,123 | 260,976,300 | 89,787,130 | 84,280,300 | 174,067,430 | 21,740,443 | 161,502,000 | 183,242,443 |
| June | 90,466,785 | 113,390,374 | 203,857,159 | 9,771,328 | 101,476,480 | 111,247,808 | 31,241,064 | 251,798,424 | 283,039,488 |
| Second quarter | 193,810,627 | 417,673,232 | 611,483,859 | 158,733,668 | 378,254,222 | 536,987,890 | 131,181,549 | 595,069,774 | 726,251,323 |
| Six months | 364,923,444 | 1,031,360,652 | 1,396,284,096 | 271,734,936 | 831,389,685 | 1,103,124,621 | 219,119,844 | 790,259,734 | 1,009,379,578 |
| July | 43,569,170 | 86,468,380 | 130,037,550 | 49,833,450 | 242,447,950 | 292,281,400 | 49,703,366 | 180,669,959 | 230,373,325 |
| August | 327,402,743 | 74,427,157 | 401,829,900 | 67,938,134 | 112,893,538 | 180,831,672 | 25,894,844 | 317,462,641 | 343,357,485 |
| September | ------ | ------ | ------ | 68,006,465 | 65,594,785 | 133,601,250 | 16,019,150 | 80,195,000 | 96,214,150 |
| Third quarter | ------ | ------ | ------ | 185,778,049 | 420,936,273 | 606,714,322 | 91,617,360 | 578,327,600 | 669,944,960 |
| Nine months | ------ | ------ | ------ | 457,512,985 | 1,252,325,958 | 1,709,838,943 | 310,737,204 | 1,368,587,334 | 1,679,324,538 |
| October | ------ | ------ | ------ | 47,728,100 | 345,346,770 | 393,074,870 | 20,297,396 | 157,474,063 | 177,771,459 |
| November | ------ | ------ | ------ | 168,943,139 | 93,942,646 | 262,885,785 | 21,640,375 | 90,834,833 | 112,475,208 |
| December | ------ | ------ | ------ | 62,198,558 | 334,579,682 | 396,778,240 | 30,778,057 | 195,817,158 | 226,595,215 |
| Fourth quarter | ------ | ------ | ------ | 278,869,797 | 773,869,098 | 1,052,738,395 | 72,715,828 | 444,126,054 | 516,841,882 |
| Twelve months | ------ | ------ | ------ | 736,382,782 | 2,026,195,056 | 2,762,577,838 | 383,453,032 | 1,812,713,388 | 2,196,166,420 |

*Revised.

### Treasury Financing in August

The tax anticipation notes, which the Treasury placed on sale last month, became an immediate success, sales for August aggregating $1,037,124,525, series A and B combined. Series A, which are the ones intended, in particular, for smaller taxpayers, represented only about $18,000,000 of the total, the bulk of the purchases being of the series B notes, which would appeal only to payers of heavier taxes. Both issues are dated August 1, 1941 and mature August 1, 1943 and are sold at par and accrued interest, but the series A notes earn approximately 1.92% a year while the series B earn only about 0.48%. The series A are issued in denominations of $25, $50 and $100 and are acceptable in payment of taxes to the amount of $1,200 principal amount, plus accrued interest, in any one tax year; the series B are in denominations of $100 to $1,000,000 and their acceptability in payment of taxes is limited only by the amount of taxes due. The notes of neither series are transferable.

Defense savings bonds sales in August, the fourth month in which they have been offered, dropped to $271,227,566, the smallest of any month so far. The largest single month's sales, $374,777,142, were recorded in May the first month that the bonds were on sale. In succeeding months they totaled $320,732,411 in June and $353,510,582 in July.

The new depositary bonds, first offered in July, when $40,214,000 were sold, had an aggregate sale of $11,435,550 in August. The only other financing undertaken by the Treasury in August consisted of weekly

In the tabulations which follow we outline the sales of bills of about $100,000,000 each, the same as maturities during the month.

Treasury's financing activities in the current year:

UNITED STATES TREASURY FINANCING DURING 1941

| Date Offered | Dated | Due | Amount Applied for | Amount Accepted | Price | Yield |
|---|---|---|---|---|---|---|
| | | | $ | $ | | |
| First 6 months total | | | | 8,675,484,647 | | |
| Jun 27 | Jly 2 | 91 days | 281,145,000 | 100,880,000 | 99.978 | *$.087% |
| Jly 3 | Jly 9 | 91 days | 281,732,000 | 100,048,000 | 99.976 | *$.097% |
| Jly 11 | Jly 16 | 91 days | 306,089,000 | 100,337,000 | 99.975 | *$.097% |
| Jly 18 | Jly 23 | 91 days | 292,758,000 | 100,127,000 | 99.975 | *0.098% |
| Jly 25 | Jly 30 | 91 days | 266,617,000 | 100,015,000 | 99.976 | *0.094% |
| Jly 1-31 | Jly 1 | 10-12 yrs. | 353,510,582 | 353,510,582 | † | † |
| Jly 1-31 | Jun 1 | 12 years | 40,214,000 | 40,214,000 | 100 | 2% |
| July total | | | | 895,131,582 | | |
| Aug 1 | Aug 6 | 91 days | 293,242,000 | 100,232,000 | 99.973 | *0.106% |
| Aug 8 | Aug 13 | 91 days | 288,823,000 | 100,118,000 | 99.971 | *0.114% |
| Aug 15 | Aug 20 | 91 days | 297,444,000 | 100,227,000 | 99.971 | *0.115% |
| Aug 22 | Aug 27 | 91 days | 327,055,000 | 100,799,000 | 99.971 | *0.114% |
| Aug 1-31 | Aug 1 | 10-12 yrs. | 271,277,566 | 271,277,566 | † | † |
| Aug 1-31 | Jun 1 | 12 years | 11,435,550 | 11,435,550 | 100 | 2% |
| Aug 1-31 | Aug 1 | 2 years | 1,037,124,525 | 1,037,124,525 | 100 | ‡ |
| August total | | | | 1,721,213,641 | | |
| Total 8 months | | | | 11,291,829,370 | | |

* Average rate on a bank discount basis. † Comprised of three separate series, of which series E have 10-year maturity, are sold on a discount basis at 75, and yield 2.90%; series F have a 12-year maturity, are sold on a discount basis, at 74, and yield 2.53%; and series G have a 12-year maturity, are sold at 100, and bear 2½% interest. ‡ Comprised of two separate issues, designated Treasury notes of tax series A-1943 and tax series B-1943; series A earn about 1.92% a year and series B, about 0.48%.

USE OF FUNDS

| Dated | Type of Security | Total Amount Accepted | Refunding | New Indebtedness |
|---|---|---|---|---|
| | | $ | $ | $ |
| First 6 months total | | 8,675,484,647 | 5,325,806,200 | 3,349,678,447 |
| Jly 2 | 91-day Treas. bills | 100,880,000 | 100,880,000 | ---------- |
| Jly 9 | 91-day Treas. bills | 100,048,000 | 100,048,000 | ---------- |
| Jly 16 | 91-day Treas. bills | 100,337,000 | 100,337,000 | ---------- |
| Jly 23 | 91-day Treas. bills | 100,127,000 | 100,127,000 | ---------- |
| Jly 30 | 91-day Treas. bills | 100,015,000 | 100,015,000 | ---------- |
| Jly 1 | U. S. savings bonds | 353,510,582 | ---------- | 353,510,582 |
| Jun 1 | Depositary bonds | 40,214,000 | ---------- | 40,214,000 |
| July total | | 895,131,582 | 501,407,000 | 393,724,582 |
| Aug 6 | 91-day Treas. bills | 100,232,000 | 100,232,000 | ---------- |
| Aug 13 | 91-day Treas. bills | 100,118,000 | 100,118,000 | ---------- |
| Aug 20 | 91-day Treas. bills | 100,227,000 | 100,227,000 | ---------- |
| Aug 27 | 91-day Treas. bills | 100,799,000 | 100,799,000 | ---------- |
| Aug 1 | U. S. savings bonds | 271,277,566 | ---------- | 271,277,566 |
| Jun 1 | Depositary bonds | 11,435,550 | ---------- | 11,435,550 |
| Aug 1 | Tax anticipa. notes | 1,037,124,525 | ---------- | 1,037,124,525 |
| August total | | 1,721,213,641 | 401,376,000 | 1,319,837,641 |
| Total 8 months | | 11,291,829,870 | 6,228,589,200 | 5,063,240,670 |

* INTRAGOVERNMENT FINANCING

| 1941 | Issued | Retired | Net Issued |
|---|---|---|---|
| | $ | $ | $ |
| First 6 months total | 3,497,287,000 | 2,746,792,000 | 750,495,000 |
| July— | | | |
| Certificates | 70,000,000 | 10,300,000 | 59,700,000 |
| Notes | 155,348,000 | 11,527,000 | 143,821,000 |
| July total | 225,348,000 | 21,827,000 | 203,521,000 |
| August— | | | |
| Certificates | 146,000,000 | ---------- | 146,000,000 |
| Notes | 17,050,000 | 17,043,000 | 7,000 |
| August total | 163,050,000 | 17,043,000 | 146,007,000 |
| Total 8 months | 3,885,685,000 | 2,785,662,000 | 1,100,023,000 |

* Comprises sales of special series certificates and notes; certificates sold to Adjusted Service Certificates Fund and Unemployed Trust Fund, and notes to Federal Old Age and Survivors Insurance Trust Account, Civil Service Retirement Fund, Foreign Service Retirement Fund, Canal Zone Retirement Fund, Alaska Railroad Retirement Fund, Postal Savings System, Government Life Insurance Fund, National Service Life Insurance Fund, Federal Deposit Insurance Corporation, and Federal Savings & Loan Insurance Corporation.

In the comprehensive tables on the succeeding pages we compare the August and the eight months' figures with those for the corresponding periods in the four years preceding, thus affording a five-year comparison.

Following the full-page tables, we give complete details of the capital flotations during August including every issue of any kind brought out in that month.

## Foreign Front

(Cntinued from Page 217)

battleship was followed for some time by a submarine which endeavored to maneuver into position for an attack. Turning to merchant shipping incidents. Mr. Roosevelt referred to the Robin Moor sinking, last May, and to the sinking without warning of the Panamanian ship Sessa, with considerable loss of life. The aerial bombing and sinking of the U. S. flag vessel Steel Seafarer, in the Red Sea likewise was noted in the address.

Disclaiming any intention of exaggerating single incidents, the President saw in all these matters together an intention by the German Nazis to dominate the oceans. To be ultimately successful in world mastery, said the President, Hitler knows that he must get control of the seas. "He must first destroy the bridge of ships which we are building across the Atlantic and over which we shall continue to roll the implements of war to help destroy him, to destroy all his works in the end," Mr. Roosevelt declared. "He must wipe out our patrol on sea and in the air if he is to do it. He must silence the British Navy." If Hitler wins in Europe, according to the President, the Nazi will have two to three times the shipbuilding facilities and potentialities of all the Americas.

Proclaiming again the traditional American policy of the freedom of the seas, Mr. Roosevelt warned that the Americas will not be able to live happily in a Nazi-dominated world. Unrestricted submarine warfare constitutes an act of aggression against our historic policy, the President asserted. No shooting war is sought by this country with Hitler, but the time has come, it was indicated, to halt the international outlaws who sink our ships and kill our citizens.

"When you see a rattlesnake poised to strike, you do not wait until he has struck before you crush him," said the President in emphasizing again the determination to keep all Axis raiders and submarines away. The very presence of such ships in waters which America deems vital to its defense constitutes an attack, it was announced, and American forces hereafter will strike first. "Our patrolling vessels and planes will protect all merchant ships—not only American ships but ships of any flag — engaged in commerce in our defensive waters," Mr. Roosevelt said. "They will protect them from submarines; they will protect them from surface raiders." But it is no act of war on our part when we decide to protect the seas that are vital to American defense, Mr. Roosevelt added. Placing the responsibility solely upon Germany, he warned German and Italian ships not to enter waters the protection of which is necessary for American defense.

Within the United States, this pronouncement was applauded by some and denounced by others, much in accordance with interventionist and isolationist viewpoints. The question promptly was posed as to where the limits of waters vital to our defense may be, but no specific limitation has been forthcoming. Instead, Mr. Hull remarked at a press conference that the warning was intended for the Nazis everywhere. In an address at Milwaukee, Monday, Mr. Knox said that protection by the U. S. Navy would begin the following day of all lend-lease cargoes on the seas "between the American continent and the waters adjacent to Iceland."

The impression made by the Presidential address was deepened by the news, last Friday, that the Panamanian freighter Montana had been torpedoed off Iceland, and by the disclosure last Saturday that the U. S. ship Ar-

(Continued on Page 219)

### SUMMARY OF CORPORATE, FOREIGN GOVERNMENT, FARM LOAN AND MUNICIPAL FINANCING FOR THE MONTH OF AUGUST FOR FIVE YEARS

| Month of August | 1941 | | | 1940 | | | 1939 | | | 1938 | | | 1937 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | New Capital | Refunding | Total | New Capital | Refunding | Total | New Capital | Refunding | Total | New Capital | Refunding | Total | New Capital | Refunding | Total |
| Corporate— | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Domestic— | | | | | | | | | | | | | | | |
| Long-term bonds and notes | 323,824,900 | 72,530,000 | 396,354,900 | 52,612,000 | 108,447,000 | 161,059,000 | 21,403,447 | 291,676,553 | 313,080,000 | 123,304,070 | 211,140,930 | 334,445,000 | 34,292,385 | 34,897,615 | 69,190,000 |
| Short-term | ----- | ----- | ----- | ----- | ----- | ----- | 1,460,000 | 500,000 | 1,960,000 | ----- | ----- | ----- | ----- | 16,000,000 | 16,000,000 |
| Preferred stocks | 1,602,843 | 1,897,157 | 3,500,000 | 13,426,862 | 4,420,938 | 17,847,800 | 2,010,000 | 8,730,000 | 10,740,000 | 3,142,500 | ----- | 3,142,500 | 3,101,942 | 3,380,558 | 6,482,500 |
| Common stocks | 1,975,000 | ----- | 1,975,000 | 1,899,272 | 25,600 | 1,924,872 | 1,021,397 | 56,088 | 1,077,485 | 1,817,000 | ----- | 1,817,000 | 13,478,509 | 2,915,899 | 16,394,408 |
| Canadian— | | | | | | | | | | | | | | | |
| Long-term bonds and notes | ----- | ----- | ----- | ----- | ----- | ----- | ----- | 16,500,000 | 16,500,000 | ----- | ----- | ----- | ----- | ----- | ----- |
| Short-term | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Preferred stocks | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Common stocks | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Other foreign— | | | | | | | | | | | | | | | |
| Long-term bonds and notes | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Short-term | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Preferred stocks | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Common stocks | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Total corporate | 327,402,743 | 74,427,157 | 401,829,900 | 67,938,134 | 112,893,538 | 180,831,672 | 25,894,844 | 317,462,641 | 343,357,485 | 128,263,570 | 211,140,930 | 339,404,500 | 50,872,836 | 57,194,072 | 108,066,908 |
| Canadian Government | ----- | ----- | ----- | ----- | ----- | ----- | 30,000,000 | ----- | 30,000,000 | ----- | ----- | ----- | ----- | ----- | ----- |
| Other foreign government | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Farm Loan and Govt. agencies | ----- | 25,420,000 | 25,420,000 | ----- | 27,525,000 | 27,525,000 | ----- | 18,250,000 | 18,250,000 | ----- | 13,500,000 | 13,500,000 | ----- | 27,400,000 | 27,400,000 |
| *Municipal—States, cities, etc. | 32,880,990 | 10,596,732 | 43,477,722 | 60,753,178 | 14,265,911 | 75,019,089 | 56,734,069 | 12,922,963 | 69,657,032 | 54,822,093 | 11,009,258 | 65,831,351 | 27,684,444 | 25,036,100 | 52,720,544 |
| United States Possessions | ----- | ----- | ----- | 500,000 | ----- | 500,000 | ----- | ----- | ----- | 450,000 | ----- | 450,000 | ----- | ----- | ----- |
| Grand total | 360,283,733 | 110,443,889 | 470,727,622 | 129,191,312 | 154,684,449 | 283,875,761 | 112,628,913 | 348,635,604 | 461,264,517 | 183,535,663 | 235,650,188 | 419,185,851 | 78,557,280 | 109,630,172 | 188,187,452 |

* These figures do not include funds obtained by States and municipalities from any agency of the Federal Government.

### CHARACTER AND GROUPING OF NEW CORPORATE ISSUES IN THE UNITED STATES FOR THE MONTH OF AUGUST FOR FIVE YEARS

| Month of August | 1941 | | | 1940 | | | 1939 | | | 1938 | | | 1937 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | New Capital | Refunding | Total | New Capital | Refunding | Total | New Capital | Refunding | Total | New Capital | Refunding | Total | New Capital | Refunding | Total |
| Long-Term Bonds and Notes— | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Railroads | 23,300,000 | ----- | 23,300,000 | 14,292,000 | 25,300,000 | 39,592,000 | 400,000 | 7,000,000 | 7,400,000 | 3,148,000 | ----- | 3,148,000 | 3,103,000 | 2,936,000 | 6,039,000 |
| Public utilities | 238,084,900 | 71,625,000 | 309,709,900 | 17,230,000 | 22,320,000 | 39,550,000 | 470,000 | 241,605,000 | 242,075,000 | 49,965,300 | 169,381,700 | 219,347,000 | 3,764,385 | 29,761,615 | 33,526,000 |
| Iron, steel, coal, copper, etc | ----- | ----- | ----- | 3,000,000 | 12,000,000 | 15,000,000 | ----- | ----- | ----- | 5,455,000 | 4,545,000 | 10,000,000 | ----- | ----- | ----- |
| Equipment manufacturers | 3,440,000 | ----- | 3,440,000 | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Motors and accessories | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Other industrial and manufacturing | 5,000,000 | 600,000 | 5,600,000 | 18,000,000 | 13,250,000 | 31,250,000 | 3,500,000 | ----- | 3,500,000 | 22,075,075 | 4,424,925 | 26,500,000 | 15,000,000 | ----- | 15,000,000 |
| Oil | 40,000,000 | ----- | 40,000,000 | ----- | 35,500,000 | 35,500,000 | 12,033,447 | 20,066,553 | 32,100,000 | 38,310,695 | 32,689,305 | 71,000,000 | ----- | ----- | ----- |
| Land, buildings, etc | ----- | 245,000 | 245,000 | 90,000 | 77,000 | 167,000 | 250,000 | 2,505,000 | 2,755,000 | 1,350,000 | 100,000 | 1,450,000 | 425,000 | 2,200,000 | 2,625,000 |
| Rubber | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Shipping | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Inv. trusts, trading, holding, etc | ----- | ----- | ----- | ----- | ----- | ----- | 500,000 | ----- | 500,000 | 3,000,000 | ----- | 3,000,000 | ----- | ----- | ----- |
| Miscellaneous | 14,000,000 | 60,000 | 14,060,000 | ----- | ----- | ----- | 4,250,000 | 37,000,000 | 41,250,000 | ----- | ----- | ----- | 12,000,000 | ----- | 12,000,000 |
| Total | 323,824,900 | 72,530,000 | 396,354,900 | 52,612,000 | 108,447,000 | 161,059,000 | 21,403,447 | 308,176,553 | 329,580,000 | 123,304,070 | 211,140,930 | 334,445,000 | 34,292,385 | 34,897,615 | 69,190,000 |
| Short-Term Bonds and Notes— | | | | | | | | | | | | | | | |
| Railroads | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Public utilities | ----- | ----- | ----- | ----- | ----- | ----- | 1,460,000 | 500,000 | 1,960,000 | ----- | ----- | ----- | ----- | 16,000,000 | 16,000,000 |
| Iron, steel, coal, copper, etc | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Equipment manufacturers | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Motors and accessories | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Other industrial and manufacturing | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Oil | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Land, buildings, etc | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Rubber | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Shipping | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Inv. trusts, trading, holding, etc | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Miscellaneous | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Total | ----- | ----- | ----- | ----- | ----- | ----- | 1,460,000 | 500,000 | 1,960,000 | ----- | ----- | ----- | ----- | 16,000,000 | 16,000,000 |
| Stocks— | | | | | | | | | | | | | | | |
| Railroads | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Public utilities | ----- | ----- | ----- | 13,001,862 | 2,890,938 | 15,892,800 | ----- | 8,730,000 | 8,730,000 | ----- | ----- | ----- | 595,442 | 1,504,558 | 2,100,000 |
| Iron, steel, coal, copper, etc | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | 318,000 | ----- | 318,000 | 592,750 | 1,876,000 | 2,468,750 |
| Equipment manufacturers | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Motors and accessories | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Other industrial and manufacturing | 3,577,843 | 1,897,157 | 5,475,000 | 2,124,272 | 25,600 | 2,149,872 | 1,511,397 | 56,088 | 1,567,485 | 3,391,500 | ----- | 3,391,500 | 7,464,456 | 2,915,899 | 10,380,355 |
| Oil | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | 574,164 | ----- | 574,164 |
| Land, buildings, etc | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Rubber | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Shipping | ----- | ----- | ----- | ----- | 1,530,000 | 1,530,000 | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Inv. trusts, trading, holding, etc | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Miscellaneous* | ----- | ----- | ----- | 200,000 | ----- | 200,000 | 1,520,000 | ----- | 1,520,000 | 1,250,000 | ----- | 1,250,000 | 7,353,639 | ----- | 7,353,639 |
| Total | 3,577,843 | 1,897,157 | 5,475,000 | 15,326,134 | 4,446,538 | 19,772,672 | 3,031,397 | 8,786,088 | 11,817,485 | 4,959,500 | ----- | 4,959,500 | 16,580,451 | 6,296,457 | 22,876,908 |
| Total— | | | | | | | | | | | | | | | |
| Railroads | 23,300,000 | ----- | 23,300,000 | 14,292,000 | 25,300,000 | 39,592,000 | 400,000 | 7,000,000 | 7,400,000 | 3,148,000 | ----- | 3,148,000 | 3,103,000 | 2,936,000 | 6,039,000 |
| Public utilities | 238,084,900 | 71,625,000 | 309,709,900 | 30,231,862 | 25,210,938 | 55,442,800 | 1,930,000 | 250,835,000 | 252,765,000 | 49,965,300 | 169,381,700 | 219,347,000 | 4,359,827 | 47,266,173 | 51,626,000 |
| Iron, steel, coal, copper, etc | ----- | ----- | ----- | 3,000,000 | 12,000,000 | 15,000,000 | ----- | ----- | ----- | 5,773,000 | 4,545,000 | 10,318,000 | 592,750 | 1,876,000 | 2,468,750 |
| Equipment manufacturers | 3,440,000 | ----- | 3,440,000 | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Motors and accessories | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Other industrial and manufacturing | 8,577,843 | 2,497,157 | 11,075,000 | 20,124,272 | 13,275,600 | 33,399,872 | 5,011,397 | 56,088 | 5,067,485 | 25,466,575 | 4,424,925 | 29,891,500 | 22,464,456 | 2,915,899 | 25,380,355 |
| Oil | 40,000,000 | ----- | 40,000,000 | ----- | 35,500,000 | 35,500,000 | 12,033,447 | 20,066,553 | 32,100,000 | 38,310,695 | 32,689,305 | 71,000,000 | 574,164 | ----- | 574,164 |
| Land, buildings, etc | ----- | 245,000 | 245,000 | 90,000 | 77,000 | 167,000 | 250,000 | 2,505,000 | 2,755,000 | 1,350,000 | 100,000 | 1,450,000 | 425,000 | 2,200,000 | 2,625,000 |
| Rubber | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Shipping | ----- | ----- | ----- | ----- | 1,530,000 | 1,530,000 | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Inv. trusts, trading, holding, etc | ----- | ----- | ----- | ----- | ----- | ----- | 500,000 | ----- | 500,000 | 3,000,000 | ----- | 3,000,000 | ----- | ----- | ----- |
| Miscellaneous | 14,000,000 | 60,000 | 14,060,000 | 200,000 | ----- | 200,000 | 5,770,000 | 37,000,000 | 42,770,000 | 1,250,000 | ----- | 1,250,000 | 19,353,639 | ----- | 19,353,639 |
| Total corporate securities | 327,402,743 | 74,427,157 | 401,829,900 | 67,938,134 | 112,893,538 | 180,831,672 | 25,894,844 | 317,462,641 | 343,357,485 | 128,263,570 | 211,140,930 | 339,404,500 | 50,872,836 | 57,194,072 | 108,066,908 |

## SUMMARY OF CORPORATE, FOREIGN GOVERNMENT, FARM LOAN AND MUNICIPAL FINANCING FOR THE EIGHT MONTHS ENDED AUG. 31 FOR FIVE YEARS

| Eight Mos. Ended Aug. 31 | 1941 | | | 1940 | | | 1939 | | | 1938 | | | 1937 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | New Capital | Refunding | Total | New Capital | Refunding | Total | New Capital | Refunding | Total | New Capital | Refunding | Total | New Capital | Refunding | Total |
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Corporate— | | | | | | | | | | | | | | | |
| Domestic— | | | | | | | | | | | | | | | |
| Long-term bonds and notes | 649,390,288 | 1,069,122,412 | 1,718,512,700 | 293,012,565 | 1,053,775,735 | 1,346,788,300 | 217,007,721 | 1,059,843,779 | 1,276,851,500 | 577,137,600 | 579,147,095 | 1,156,284,695 | 577,528,149 | 726,228,351 | 1,303,756,500 |
| Short-term | 3,672,535 | 18,081,965 | 21,754,500 | 11,010,000 | 23,725,000 | 34,735,000 | 4,510,000 | 21,000,000 | 25,510,000 | 3,242,000 | 2,758,000 | 6,000,000 | 45,276,080 | 36,823,920 | 82,100,000 |
| Preferred stocks | 63,513,093 | 104,361,432 | 167,874,525 | 38,014,594 | 106,008,196 | 144,022,790 | 17,906,073 | 127,683,367 | 145,589,440 | 32,082,425 | 1,022,800 | 33,105,225 | 159,620,797 | 225,148,430 | 384,769,227 |
| Common stocks | 19,319,441 | 690,380 | 20,009,821 | 47,469,361 | 3,222,242 | 50,691,693 | 55,294,260 | 365,188 | 55,659,448 | 8,800,426 | -------- | 8,800,426 | 179,158,535 | 87,568,840 | 266,727,375 |
| Canadian— | | | | | | | | | | | | | | | |
| Long-term bonds and notes | -------- | -------- | -------- | -------- | -------- | -------- | -------- | 79,500,000 | 79,500,000 | -------- | -------- | -------- | -------- | -------- | -------- |
| Short-term | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- |
| Preferred stocks | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- |
| Common stocks | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- |
| Other foreign— | | | | | | | | | | | | | | | |
| Long-term bonds and notes | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- |
| Short-term | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- |
| Preferred stocks | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- |
| Common stocks | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | 62,500 | -------- | 62,500 | -------- | -------- | -------- |
| Total corporate | 735,895,357 | 1,192,256,189 | 1,928,151,546 | 389,506,520 | 1,186,731,173 | 1,576,237,693 | 294,718,054 | 1,288,392,334 | 1,583,110,388 | 621,324,951 | 582,927,895 | 1,204,252,846 | 961,583,561 | 1,075,769,541 | 2,037,353,102 |
| Canadian Government | -------- | -------- | -------- | -------- | -------- | -------- | 59,250,000 | 8,250,000 | 67,500,000 | -------- | -------- | -------- | -------- | 85,000,000 | 85,000,000 |
| Other foreign government | -------- | 4,000,000 | 4,000,000 | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | 134,000,000 | 134,000,000 |
| Farm Loan and Govt. agencies | 1,252,600,000 | 578,358,000 | 1,830,958,000 | 306,608,000 | 215,782,000 | 522,390,000 | 638,614,000 | 1,206,737,325 | 1,845,351,325 | 417,450,000 | 294,785,000 | 712,235,000 | 132,000,000 | 176,714,000 | 308,714,000 |
| *Municipal—States, cities, etc. | 396,511,262 | 308,551,733 | 705,062,995 | 428,546,044 | 278,587,366 | 707,133,410 | 741,289,369 | 139,440,743 | 880,730,112 | 536,101,646 | 85,038,486 | 621,140,132 | 530,850,925 | 162,395,265 | 693,246,190 |
| United States Possessions | 1,500,000 | -------- | 1,500,000 | 2,125,000 | -------- | 2,125,000 | 450,000 | -------- | 450,000 | 5,236,000 | -------- | 5,236,000 | -------- | -------- | -------- |
| Grand total | 2,386,506,619 | 2,083,165,922 | 4,469,672,541 | 1,126,785,564 | 1,681,100,539 | 2,807,886,103 | 1,734,321,423 | 2,642,820,402 | 4,377,141,825 | 1,580,112,597 | 962,751,381 | 2,542,863,978 | 1,624,434,486 | 1,633,878,806 | 3,258,313,292 |

*These figures do not include funds obtained by States and municipalities from any agency of the Federal Government.

## CHARACTER AND GROUPING OF NEW CORPORATE ISSUES IN THE UNITED STATES FOR THE EIGHT MONTHS ENDED AUG. 31 FOR FIVE YEARS

| Eight Mos. Ended Aug. 31 | 1941 | | | 1940 | | | 1939 | | | 1938 | | | 1937 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | New Capital | Refunding | Total | New Capital | Refunding | Total | New Capital | Refunding | Total | New Capital | Refunding | Total | New Capital | Refunding | Total |
| Long-Term Bonds and Notes— | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Railroads | 194,727,000 | 68,868,000 | 263,595,000 | 67,752,398 | 163,045,602 | 230,798,000 | 47,170,000 | 30,438,000 | 77,608,000 | 15,253,000 | 10,000,000 | 25,253,000 | 216,195,000 | 107,268,000 | 323,463,000 |
| Public utilities | 315,457,900 | 647,346,000 | 962,803,900 | 70,748,397 | 435,043,903 | 505,792,300 | 44,741,090 | 769,008,210 | 813,749,300 | 216,917,230 | 458,906,965 | 675,824,195 | 88,547,687 | 480,281,313 | 568,829,000 |
| Iron, steel, coal, copper, etc. | 6,100,000 | 62,400,000 | 68,500,000 | 5,705,000 | 255,850,000 | 261,555,000 | 8,600,000 | 94,900,000 | 103,500,000 | 118,955,000 | 4,552,000 | 123,507,000 | 40,808,950 | 44,076,050 | 84,885,000 |
| Equipment manufacturers | 3,440,000 | 3,498,000 | 6,938,000 | 6,250,000 | -------- | 6,250,000 | 3,900,000 | -------- | 3,900,000 | -------- | -------- | -------- | 1,100,000 | -------- | 1,100,000 |
| Motors and accessories | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | 5,065,400 | 4,934,600 | 10,000,000 |
| Other industrial and manufacturing | 33,882,283 | 87,560,517 | 121,442,800 | 26,705,000 | 41,520,000 | 68,225,000 | 31,742,184 | 23,027,016 | 54,769,200 | 63,278,175 | 21,881,825 | 85,160,000 | 56,302,112 | 38,376,888 | 94,679,000 |
| Oil | 50,953,000 | 74,222,000 | 125,175,000 | 11,800,000 | 105,500,000 | 117,300,000 | 55,373,447 | 161,726,553 | 217,100,000 | 153,310,695 | 32,689,305 | 186,000,000 | 122,897,500 | 27,348,000 | 150,245,500 |
| Land, buildings, etc. | 759,000 | 23,339,000 | 24,098,000 | 819,700 | 6,648,300 | 7,468,000 | 3,631,000 | 5,264,000 | 8,895,000 | 3,523,500 | 5,227,000 | 8,750,500 | 7,327,000 | 20,743,000 | 28,070,000 |
| Rubber | 5,400,000 | 44,600,000 | 50,000,000 | -------- | -------- | -------- | -------- | -------- | -------- | -------- | 45,000,000 | 45,000,000 | 650,000 | -------- | 650,000 |
| Shipping | 250,000 | -------- | 250,000 | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- |
| Inv. trusts, trading, holding, etc. | -------- | -------- | -------- | 1,350,000 | -------- | 1,350,000 | 2,000,000 | 12,755,000 | 14,755,000 | 4,000,000 | -------- | 4,000,000 | 250,000 | -------- | 250,000 |
| Miscellaneous | 38,421,105 | 57,288,895 | 95,710,000 | 101,882,070 | 46,167,930 | 148,050,000 | 19,850,000 | 42,225,000 | 62,075,000 | 1,900,000 | 890,000 | 2,790,000 | 38,384,500 | 3,200,500 | 41,585,000 |
| Total | 649,390,288 | 1,069,122,412 | 1,718,512,700 | 293,012,565 | 1,053,775,735 | 1,346,788,300 | 217,007,721 | 1,139,343,779 | 1,356,351,500 | 577,137,600 | 579,147,095 | 1,156,284,695 | 577,528,149 | 726,228,351 | 1,303,756,500 |
| Short-Term Bonds and Notes— | | | | | | | | | | | | | | | |
| Railroads | -------- | 5,500,000 | 5,500,000 | -------- | 5,000,000 | 5,000,000 | -------- | 9,500,000 | 9,500,000 | -------- | -------- | -------- | 4,350,000 | 1,450,000 | 5,800,000 |
| Public utilities | 1,360,000 | 190,000 | 1,550,000 | 910,000 | -------- | 910,000 | 1,460,000 | 2,500,000 | 3,960,000 | 2,000,000 | -------- | 2,000,000 | 2,776,080 | 34,573,920 | 37,350,000 |
| Iron, steel, coal, copper, etc. | -------- | 7,000,000 | 7,000,000 | -------- | -------- | -------- | 550,000 | -------- | 550,000 | -------- | 750,000 | 750,000 | 600,000 | -------- | 600,000 |
| Equipment manufacturers | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- |
| Motors and accessories | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- |
| Other industrial and manufacturing | 54,500 | 150,000 | 204,500 | 100,000 | 1,725,000 | 1,825,000 | -------- | 9,000,000 | 9,000,000 | 30,000 | 120,000 | 150,000 | 1,600,000 | 800,000 | 2,400,000 |
| Oil | -------- | -------- | -------- | -------- | 14,000,000 | 14,000,000 | -------- | -------- | -------- | 869,000 | 211,000 | 1,100,000 | -------- | -------- | -------- |
| Land, buildings, etc. | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- |
| Rubber | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- |
| Shipping | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- |
| Inv. trusts, trading, holding, etc. | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- |
| Miscellaneous | 2,258,035 | 5,241,965 | 7,500,000 | 10,000,000 | 3,000,000 | 13,000,000 | 2,500,000 | -------- | 2,500,000 | 323,000 | 1,677,000 | 2,000,000 | 35,950,000 | -------- | 35,950,000 |
| Total | 3,672,535 | 18,081,965 | 21,754,500 | 11,010,000 | 23,725,000 | 34,735,000 | 4,510,000 | 21,000,000 | 25,510,000 | 3,242,000 | 2,758,000 | 6,000,000 | 45,276,080 | 36,823,920 | 82,100,000 |
| Stocks— | | | | | | | | | | | | | | | |
| Railroads | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- |
| Public utilities | 18,488,540 | 95,033,655 | 113,522,195 | 25,684,591 | 70,671,919 | 96,356,510 | 5,468,304 | 126,147,796 | 131,616,100 | 3,091,425 | -------- | 3,091,425 | 4,978,142 | 86,310,252 | 91,288,394 |
| Iron, steel, coal, copper, etc. | -------- | -------- | -------- | 1,935,000 | -------- | 1,935,000 | 2,000,000 | -------- | 2,000,000 | 1,366,929 | -------- | 1,366,929 | 40,600,654 | 54,991,099 | 95,591,753 |
| Equipment manufacturers | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | 304,650 | 162,850 | 467,500 |
| Motors and accessories | -------- | -------- | -------- | 4,094,000 | 1,306,000 | 5,400,000 | 2,680,000 | -------- | 2,680,000 | -------- | -------- | -------- | 12,572,053 | -------- | 12,572,053 |
| Other industrial and manufacturing | 57,116,167 | 10,018,157 | 67,134,324 | 28,038,812 | 21,470,412 | 49,509,224 | 56,707,678 | 365,188 | 57,072,866 | 33,060,277 | 1,002,500 | 34,062,777 | 174,089,505 | 56,071,945 | 230,161,450 |
| Oil | -------- | -------- | -------- | -------- | -------- | -------- | 1,275,000 | -------- | 1,275,000 | 862,500 | -------- | 862,500 | 35,123,737 | 88,106,765 | 123,230,502 |
| Land, buildings, etc. | -------- | -------- | -------- | -------- | -------- | -------- | 100,000 | -------- | 100,000 | -------- | -------- | -------- | -------- | -------- | -------- |
| Rubber | -------- | -------- | -------- | 1,400,000 | -------- | 1,400,000 | 213,900 | -------- | 213,900 | -------- | -------- | -------- | 2,494,490 | 682,500 | 3,176,990 |
| Shipping | -------- | -------- | -------- | 1,000,000 | 1,530,000 | 2,530,000 | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- |
| Inv. trusts, trading, holding, etc. | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | 100,000 | -------- | 100,000 | -------- | -------- | -------- |
| Miscellaneous | 7,227,827 | -------- | 7,227,827 | 23,331,552 | 14,252,107 | 37,583,659 | 4,755,451 | 1,535,571 | 6,291,022 | 2,464,220 | 20,300 | 2,484,520 | 68,616,101 | 26,391,859 | 95,007,960 |
| Total | 82,832,534 | 105,051,812 | 187,884,346 | 85,483,955 | 109,230,438 | 194,714,393 | 73,200,333 | 128,048,555 | 201,248,888 | 40,945,351 | 1,022,800 | 41,968,151 | 338,779,332 | 312,717,270 | 651,496,602 |
| Total— | | | | | | | | | | | | | | | |
| Railroads | 194,727,000 | 74,368,000 | 269,095,000 | 67,752,398 | 168,045,602 | 235,798,000 | 47,170,000 | 39,938,000 | 87,108,000 | 15,253,000 | 10,000,000 | 25,253,000 | 220,545,000 | 108,718,000 | 329,263,000 |
| Public utilities | 335,306,440 | 742,569,655 | 1,077,876,095 | 97,342,988 | 505,715,822 | 603,058,810 | 51,669,394 | 897,656,006 | 949,325,400 | 222,008,655 | 458,906,965 | 680,915,620 | 96,301,909 | 601,165,485 | 697,467,394 |
| Iron, steel, coal, copper, etc. | 6,100,000 | 69,400,000 | 75,500,000 | 7,640,000 | 255,850,000 | 263,490,000 | 11,150,000 | 94,900,000 | 106,050,000 | 120,321,929 | 5,302,000 | 125,623,929 | 82,009,604 | 99,067,149 | 181,076,753 |
| Equipment manufacturers | 3,440,000 | 3,498,000 | 6,938,000 | 6,250,000 | -------- | 6,250,000 | 3,900,000 | -------- | 3,900,000 | -------- | -------- | -------- | 1,404,650 | 162,850 | 1,567,500 |
| Motors and accessories | -------- | -------- | -------- | 4,094,000 | 1,306,000 | 5,400,000 | 2,680,000 | -------- | 2,680,000 | -------- | -------- | -------- | 17,637,453 | 4,934,600 | 22,572,053 |
| Other industrial and manufacturing | 91,052,950 | 97,728,674 | 188,781,624 | 54,843,812 | 64,715,412 | 119,559,224 | 88,449,862 | 23,392,204 | 111,842,066 | 96,368,452 | 23,004,325 | 119,372,777 | 231,991,617 | 95,248,833 | 327,240,450 |
| Oil | 50,953,000 | 74,222,000 | 125,175,000 | 11,800,000 | 119,500,000 | 131,300,000 | 56,648,447 | 170,726,553 | 227,375,000 | 155,062,195 | 32,900,305 | 187,962,500 | 158,021,237 | 115,454,765 | 273,476,002 |
| Land, buildings, etc. | 759,000 | 23,339,000 | 24,098,000 | 819,700 | 6,648,300 | 7,468,000 | 3,731,000 | 5,264,000 | 8,995,000 | 3,523,500 | 5,227,000 | 8,750,500 | 7,327,000 | 20,743,000 | 28,070,000 |
| Rubber | 5,400,000 | 44,600,000 | 50,000,000 | 1,400,000 | -------- | 1,400,000 | 213,900 | -------- | 213,900 | -------- | 45,000,000 | 45,000,000 | 3,144,490 | 682,500 | 3,826,990 |
| Shipping | 250,000 | -------- | 250,000 | 1,000,000 | 1,530,000 | 2,530,000 | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- | -------- |
| Inv. trusts, trading, holding, etc. | -------- | -------- | -------- | 1,350,000 | -------- | 1,350,000 | 2,000,000 | 12,755,000 | 14,755,000 | 4,100,000 | -------- | 4,100,000 | 250,000 | -------- | 250,000 |
| Miscellaneous | 47,906,967 | 62,530,860 | 110,437,827 | 135,213,622 | 63,420,037 | 198,633,659 | 27,105,451 | 43,760,571 | 70,866,022 | 4,687,220 | 2,587,300 | 7,274,520 | 142,950,601 | 29,592,359 | 172,542,960 |
| Total corporate securities | 735,895,357 | 1,192,256,189 | 1,928,151,546 | 389,506,520 | 1,186,731,173 | 1,576,237,693 | 294,718,054 | 1,288,392,334 | 1,583,110,388 | 621,324,951 | 582,927,895 | 1,204,252,846 | 961,583,561 | 1,075,769,541 | 2,037,353,102 |

## Foreign Front

(*Continued from Page 218*)

kansan had suffered slight damage during a raid on Suez, where the freighter was unloading a cargo of war supplies for British forces, at the time. Reports early this week of the presence of a German raider in the Pacific, on routes to the Panama Canal, also were indicative. In the United Kingdom the speech by Mr. Roosevelt was hailed gleefully, while German and Italian commentators called the President a "war-monger" and accused him of distortions and untruths. The lack of any mention of Japan in the speech was noted everywhere with much interest."

### *Lend-Lease Aid*

Much of the emphasis of the official lend-lease aid of the United States Government to countries which are resisting aggression now has been shifted to Russia, owing to the increasing difficulties of supply which Moscow is experiencing. But lend-lease is proceeding rapidly to Great Britain and all others fighting the Berlin-Rome-Tokio Axis, with allocations of funds on such a scale that an Administration request for fresh Congressional appropriations cannot be long delayed. The ultimate cost to the American taxpayer of this part of the foreign policy pursued at Washington is incalculable.

The complications occassioned by lend-lease assistance gained some illustration, Sept. 10, in a memorandum submitted to the United States Government by the British Foreign Secretary, Anthony Eden. This statement related to repeated charges in the United States that various lend-lease materials were being used by British exporters in competition with American exports. Although Mr. Eden stated flatly that lend-lease materials have not been used by Great Britain for export and that every effort will be made in the future to insure that they will not be so used, he proceeded to qualify the pledge and assurance by confining it to "new markets," or the extension of export trade at the expense of American exporters. But British export trade, as Mr. Eden added, is restricted to the irreducible minimum necessary to obtain or supply materials essential to the war effort, and too much attention need not be lavished upon the incident.

The supply of Russian war requirements is now occupying both British and American authorities. The British Air Ministry announced on Sunday that a complete "Wing" of the British Air Force already has joined the Russians, presumably in the defense of Leningrad. Lord Beaverbrook, Britain's Minister of Supply, dedicated all British tanks produced this week to Russia, and shipment of the tanks will be made, he said Monday, with the utmost rapidity. After extended conferences with President Roosevelt, an American mission headed by W. Averell Harriman left the United States by airplane, Sunday, for a rendezvous in Moscow, where Russian supply problems are to be discussed with British and Russian officials. The American group arrived in London, Monday, and will go on to Moscow soon.

Progress so far made with the lend-lease program was made known to Congress and the country on Monday, when Mr. Roosevelt sent to Congress a communication detailing some of the steps. Reports must be made by the Executive every 90 days, under the terms of the lend-lease measure. Eleven nations now are being aided by the United States, under the Bill, the British Empire having received the bulk of the materials, while China and the Dutch East Indies are receiving ever in-

(*Continued on Page 220*)

## *Details of New Capital Flotations During August, 1941*

### LONG-TERM BONDS AND NOTES (ISSUES MATURING LATER THAN FIVE YEARS)

### RAILROADS

| | |
|---|---|
| $ 20,000,000 | **Atchison Topeka & Sante Fe Ry.** series E 1⅝% equipment trust certificates due 1942-51. Purpose, purchase of new equipment. Priced to yield from 0.25% to 1.875% according to maturity. Offered by Salomon Bros. & Hutzler, Dick & Merle-Smith and Stroud & Co., Inc. |
| 3,300,000 | **Chesapeake & Ohio Ry.** 1⅝% serial equip. trust certificates (third equip. trust of 1941) due Aug. 1, 1942-51. Purpose, purchase of new equipment. Priced to yield from 0.25% to 1.90% according to maturity. Offered by Harris, Hall & Co. (Inc.); Drexed & Co.; Alex Brown & Sons; Tucker, Anthony & Co.; The Illinois Co. of Chicago; Stern, Wampler & Co., Inc. and McMaster Hutchinson & Co. |
| $ 23,300,000 | |

### PUBLIC UTILITIES

| | |
|---|---|
| $233,584,900 | **American Telephone & Telegraph Co.** 15-year 3% convertible debentures due Sept. 1, 1956. Purpose, extensions and improvements to properties, including those of subsidiaries. Price, par. Offered to stockholders in ratio of $100 of debentures for each eight shares held. Not underwritten. |
| 2,125,000 | **New York & Richmond Gas Co.** 1st mtge. bonds, 4¼%, series due 1966. Purpose, refunding. Price 106½ and int. Offered by Halsey Stuart & Co., Inc. |
| *4,500,000 | **Oklahoma Natural Gas Co.** 1st mtge 3% bonds, series C due 1956. Purpose, acquisition of properties. Sold privately. |
| *22,000,000 | **Peoples Gas Light & Coke Co.** 1st & ref. mtge 3¼% bonds series E, due 1966. Purpose, refunding. Price, par. Sold privately to John Hancock Mutual Life Ins. Co., Northwestern Mutual Life Ins. Co., Prudential Insurance Co., Massachusetts Mutual Life Ins. Co., and Equitable Life Ins. Co. of Iowa. |
| *15,000,000 | **Peoples Gas Light & Coke Co.** 1st & ref. mtge. 3% bonds, series F due 1956. Purpose, refunding. Price, par. Sold privately to John Hancock Mutual Life Insurance Co., Northwestern Mutual Life Insurance Co., Prudential Insurance Co., Massachusetts Mutual Life Insurance Co. and Equitable Life Insurance Co. of Iowa. |
| 30,000,000 | **Wisconsin Power & Light Co.** 1st mtge. series A 3¼% bonds due Aug. 1, 1971. Purpose, refunding. Price 106⅞ and int. Offered by Glore, Forgan & Co., Halsey, Stuart & Co., Inc., A. G. Becker & Co., Inc., Harris, Hall & Co. (Inc.), Bonbright & Co., Inc., W. C. Langley & Co., Lee Higginson Corp., E. H. Rollins & Sons, Inc., The Wisconsin Co., A. C. Allyn & Co., Inc., Hornblower & Weeks, Stern, Wampler & Co., Inc., Whiting, Weeks & Stubbs, Inc., Arthur Perry & Co., Inc., The Milwaukee Co., Blair-Bonner & Co., Bacon, Whipple & Co., Harriman Ripley & Co., Inc. and The Illinois Co. of Chicago. |
| *2,500,000 | **Wisconsin Power & Light Co.** 3% serial notes due 1949-1951. Purpose, refunding. Sold privately to Northwestern Mutual Life Insurance Co. of Milwaukee. |
| $309,709,900 | |

### EQUIPMENT MANUFACTURERS

| | |
|---|---|
| * $3,400,000 | **General American Transportation Corp.** 2% equip. trust certificates, series 33 due 1942-1951. Purpose, purchase of new equipment. Purchased by Kuhn, Loeb & Co. and resold to two life insurance companies. |

### OTHER INDUSTRIAL AND MANUFACTURING

| | |
|---|---|
| * $5,000,000 | **American Home Products Corp.** 15-year 3½% sinking fund debentures due July 1, 1956. Purpose, pay bank loans, working capital. Price, par. Sold privately to Metropolitan Life Insurance Co. |
| *600,000 | **Conde Nast Publications, Inc.** 1st mtge 10-year 4% serial mtge. bonds due Dec. 1, 1941-Sept. 1, 1951. Purpose, retire existing serial notes. Placed privately with Equitable Life Assurance Society of the U. S. A. |
| $ 5,600,000 | |

### OIL

| | |
|---|---|
| $ 25,000,000 | **Standard Oil Co. of California** 2¾% debentures, due Aug. 1, 1966. Purpose, prepayment of installment notes. Price 102½ and int. Offered by Dillon, Read & Co.; Baker, Watts & Co.; Bankamerica Co.; Blair & Co., Inc.; Blyth & Co., Inc.; Alex. Brown & Sons; Brush, Slocumb & Co.; Davis, Skaggs & Co.; Elworthy & Co.; Ferris & Hardgrove; First Boston Corp.; Glore, Forgan & Co.; Goldman, Sachs & Co.; Hemphill, Fenton & Campbell, Inc.; Hemphill, Noyes & Co.; E. F. Hutton & Co.; Kaiser & Co.; Kidder, Peabody & Co.; Kuhn, Loeb & Co.; W. C. Langley & Co.; Lee Higginson Corp.; Lehman Brothers; Laurence M. Marks & Co.; Mellon Securities Corp.; Mitchum, Tully & Co;. Morgan Stanley & Co., Inc.; F. S. Moseley & Co.; Pacific Co. of Calif.; Riter & Co.; L. F. Rothschild & Co.; Schwabacher & Co.; Shields & Co.; Smith, Barney & Co.; William R. Staats Co.; Tucker, Anthony & Co.; Union Securities Corp.; Weeden & Co. and Dean Witter & Co. |
| 15,000,000 | **Standard Oil Co. of California** serial (1.05%—2.20%) notes, due Aug. 1, 1946-1955. Purpose, corporate purposes. Price. 99¾. Offered by same bankers as offered the $25,000,000 2¾% debentures. |
| $ 40,000,000 | |

### LAND, BUILDINGS, ETC.

| | |
|---|---|
| $ 245,000 | **(The) Sisters of Mercy of Council Bluffs, Ia.** 1st ref. mtge. (3, 3½, 4%) serial bonds due Jan. 1, 1942-July 1, 1956. Purpose, refunding. Price, 101 for all maturities except July 1, 1956 which is 100½. Offered by B. C. Ziegler & Co. |

### MISCELLANEOUS

| | |
|---|---|
| $ 60,000 | **(Fred) Dold & Sons Packing Co.** 1st mtge. 3½% sinking fund bonds, due July 1, 1956. Purpose, refunding. Price, 101 and int. Offered by The Branch-McKinney Co. |
| *14,000,000 | **Safeway Stores, Inc.** 3¼% 20-year debentures, due Aug. 1, 1961. Purpose pay bank loans, working capital. Placed privately with three insurance companies through Merrill Lynch, Pierce, Fenner & Beane. |
| $ 14,060,000 | |

### STOCKS

(Preferred stocks of a stated par value are taken at par, while preferred stocks of no par value and all classes of common stock are computed at their offering prices.)

### OTHER INDUSTRIAL AND MANUFACTURING

| | |
|---|---|
| $ 1,850,000 | **Bell Aircraft Corp.** 100,000 shares of common stock (par $1). Purpose, working capital. Price, $18.50 per share. Offered by G. M.-P. Murphy & Co.; Schoellkopf, Hutton & Pomeroy, Inc.; Blyth & Co.; Hayden, Stone & Co.; Eastman, Dillon & Co.; Laurence M. Marks & Co.; Merrill Lynch, E. A. Pierce & Cassatt; Jackson & Curtis; Auchincloss, Parker & Redpath; Emanuel & Co. and Union Securities Corp. |
| 125,000 | **W. C. Lipe, Inc.** 25,000 shares of Class A stock (par $1). Purpose, working capital. Price, $5 per share. Offered by Barrett Herrick & Co., Inc. |
| 3,500,000 | **Masonite Corp.** 35,000 shs. cumulative preferred stock 4½% series (par $100). Purpose, refunding ($1,397,157), additions, working capital, etc. ($1,602,843). Price, 102 and div. Offered first for subscription to holders of 5% cumulative preferred stock. Unsubscribed portion offered by Blyth & Co., Inc.; Merrill Lynch, Pierce, Fenner & Beane; The Wisconsin Co.; Dean Witter & Co.; Central Republic Co. (Inc.); Wells-Dickey Co. and The Milwaukee Co. |
| $ 4,475,000 | |

### FARM LOAN AND GOVERNMENT AGENCY ISSUES

| | |
|---|---|
| $ 25,420,000 | **Federal Intermediate Credit Banks** ⅝% consolidated debentures dated Sept. 2 due $7,655,000 Mar. 2, 1942; $17,765,000 June 1, 1942. Purpose, refunding. Price, slightly above par. Offered by Charles R. Dunn, New York, fiscal agent. |

### ISSUES NOT REPRESENTING NEW FINANCING

| | |
|---|---|
| $ 182,875 | **American Machine & Foundry Co.** 15,400 share of common stock (no par). Price, $12⅜ per share. Offered by Merrill Lynch, Pierce, Fenner & Beane. |
| *175,000 | **Arkansas Natural Gas Corp.** 17,500 shares of 6% preferred stock (par $10). Purchased and distributed privately by Allen & Co. |
| 224,000 | **Independent Pneumatic Tool Co.** 8,000 shares of capital stock (no par). Price $28 per share. Offered by Hallgarten & Co. and Blyth & Co., Inc. |
| 198,504 | **International Machine Tool Corp.** 18,380 shares of common stock (par $1). Price $10.80 per share. Offered by Reynolds & Co.; E. H. Rollins & Sons, Inc.; Alexander & Co., Inc.; Bond & Goodwin, Inc.; Burr & Co., Inc.; Cavanaugh, Morgan & Co.; Cohu & Torrey; J. H. Drass & Co.; Hill Richards & Co.; R. H. Johnson & Co.; Kalman & Co., Inc.; A. M. Kidder & Co.; Lester & Co.; McAlister, Smith & Pate, Inc.; Page, Hubbard & Asche; Henry C. Robinson & Co., Inc.; Wm. C. Roney & Co.; Straus Securities Co.; Stroud & Co., Inc.; Throckmorton & Gillen and Wyeth, Hass & Co. |
| 8,437,500 | **Libby, McNeill & Libby** 1,500,000 shares of common stock (par $7). Price, $5⅝ per share. Offered by Glore, Forgan & Co.; Harriman Ripley & Co., Inc.; Blyth & Co., Inc.; Dean Witter & Co.; Stone & Webster and Blodget, Inc.; Hornblower & Weeks; Hemphill, Noyes & Co.; Bankamerica Co.; Ladenburg, Thalmann & Co.; A. C. Allyn & Co., Inc.; Ames, Emerich & Co., Inc.; Bacon, Whipple & Co.; Arnhold & S. Bleichroeder, Inc.; Boettcher & Co.; Bosworth, Chanute, Loughridge & Co.; Brush, Slocumb & Co.; Burr & Co., Inc.; Bywater & Leary; Frank B. Cahn & Co.; E. W. Clark & Co.; Courts & Co.; Crago, Smith & Canayan; Paul H. Davis & Co.; R. S. Dickson & Co., Inc.; Francis I. duPont & Co. and Chisholm & Chapman (a single co-partnership); Elworthy & Co.; Emanuel & Co.; Equitable Securities Corp.; Fahey, Clark & Co.; Fred W. Fairman & Co.; Ferris & Hardgrove; Ferris Exnicios & Co., Inc.; Glenny, Roth & Doolittle; Graham, Parsons & Co.; Granbery, Marache & Lord; Green, Ellis & Anderson; Hallgarten & Co.; Hano & Co.; Carter H. Harrison & Co.; Hill Richard & Co.; W. E. Hutton & Co.; Illinois Co. of Chicago; Indianapolis Bond & Share Corp.; Jackson & Curtis; R. H. Johnson & Co.; Johnson, Lane, Space & Co., Inc.; Robert C. Jones & Co.; Kalman & Co., Inc.; A. M. Kidder & Co.; Kidder, Peabody & Co.; Laird, Bissell & Meeds; Lee Higginson Corp.; W. L. Lyons & Co.; Mahan, Dittmar & Co.; A. E. Masten & Co.; McDonald-Coolidge & Co.; Merrill, Turben & Co.; Metropolitan St. Louis Co.; The Milwaukee Co.; Mitchell, Hutchins & Co.; Mitchum, Tully & Co.; Moore, Leonard & Lynch; M. H. Murch & Co.; G. M.-P. Murphy & Co.; Newhard, Cook & Co.; O'-Melveny-Wagenseller & Durst; Otis & Co.; Pacific Co. of Calif. Paine, Webber & Co.; Rauscher, Pierce & Co., Inc.; Reinholdt & Gardner; Reynolds & Co.; Riter & Co.; Salomon Bros. & Hutzler; Schoellkopf, Hutton & Pomeroy, Inc.; Schwabacher & Co.; Shields & Co.; Sills, Troxell & Minton, Inc.; Singer, Deane & Scribner; William R. Staats Co.; Starkweather & Co.; Stern Brothers & Co.; Stern, Wampler & Co., Inc.; Stix & Co.; Straus Securities Co.; Stroud & Co., Inc.; Sullivan & Co.; Tucker, Anthony & Co.; G. H. Walker & Co.; Webber, Darch & Co.; Weil & & Co., Inc.; Wells-Dickey Co. and The Wisconsin Co. |
| 479,425 | **W. C. Lipe, Inc.** 95,885 shares of Class A stock (par $1). Price $5 per share. Offered by Barrett Herrick & Co., Inc. |
| 156,262 | **Liggett & Myers Tobacco Co.** 1,817 shares common stock (par $25). Price $86 per share. Offered by Stifel, Nicolaus & Co., Inc. |
| 59,850 | **Liggett & Myers Tobacco Co.** 700 shares of common stock (par $25). Price, 85½ per share. Offered by Stifel, Nicolaus & Co., Inc. |
| 764,750 | **National Biscuit Co.** 46,000 shares of common stock (par $10). Price, $16⅝ per share. Offered by Shields & Co. |
| 115,500 | **Norwich Pharmacal Co.** 10,500 shares of common stock (par $2.50). Price, $11 per share. Offered by Merrill Lynch, Pierce, Fenner & Beane. |
| 1,321,925 | **Pennsylvania Water & Power Co.** 25,300 shares of common stock (no par). Price, $52¼ per share. Offered by White, Weld & Co. |
| 375,000 | **Scott Paper Co.** 10,000 shares of common stock (no par). Price, $37.50 per share. Offered by Drexel & Co., Smith Barney & Co. and Merrill Lynch, E. A. Pierce & Cassatt. |
| 414,000 | **(A. E.) Staley Manufacturing Co.** 4,000 shares cum. pref. stock (no par) $5 series. Price $103.50 per share. Offered by Smith Barney & Co.; The First Boston Corp.; Blair & Co., Inc. and Stifel, Nicolaus & Co. ,Inc. |
| 725,000 | **(A. E.) Staley Manufacturing Co.** 50,000 shares of common stock (par $10). Price, $14.50 per share. Offered by Smith Barney & Co.; The First Boston Corp.; Blair & Co., Inc. and Stifel, Nicolaus & Co., Inc. |
| 6,581,250 | **Standard Oil Co. (N. J.)** 150,000 shares of capital stock (par $25). Price, $43⅞ per share. Offered by Dillon, Read & Co. and associates. |
| 8,376,682 | **Standard Oil Co. (Ohio)** 186,667 shares of common stock (par $25). Price $44⅞ per share. Offered by F. S. Moseley & Co.; Smith, Barney & Co.; Lee Higginson Corp.; BancOhio Securities Co.; Blair & Co., Inc.; Blair, Bonner & Co.; Blyth & Co., Inc.; H. M. Byllesby & Co., Inc.; Coffin & Burr, Inc.; Curtiss, House & Co.; J. M. Dain & Co.; Eastman, Dillon & Co.; Estabrook & Co.; Fahey, Clark & Co.; Field, Richards & Co.; The First Boston Corp.; The First Cleveland Corp.; Goldman, Sachs & Co.; The R. F. Griggs Co.; Harriman Ripley & Co., Inc.; Harris, Hall & Co. (Inc.); Hawley, Shepard & Co.; Hayden, Miller & Co.; Hayden, Stone & Co.; Hornblower & Weeks; W. E. Hutton & Co.; Jackson & Curtis; Kidder, Peabody & Co.; McDonald-Coolidge & Co.; Laurence M. Marks & Co.; Merrill Lynch, E. A. Pierce & Cassatt; Merrill, Turben & Co.; Maynard H. Murch & Co.; Paine, Webber & Co.; Shields & Co.; Spencer Trask & Co.; White, Weld & Co. and Whiting, Weeks & Stubbs, Inc. |
| 875,355 | **Standard Stoker Co., Inc.** 44,890 shares of common stock (par $5). Price, $19.50 per share. Offered by Blyth & Co., Inc.; Hornblower & Weeks; H. M. Byllesby & Co., Inc.; Hawley, Shepard & Co.; Otis & Co.; Granbery, Marache & Lord; Minsch, Monell & Co., Inc.; Moore, Leonard & Lynch; Stroud & Co., Inc.; Vietor, Common & Co. and BancOhio Securities Co. |
| 396,000 | **Union Premier Food Stores, Inc.** 9,000 shares of $2.50 preferred stock (par $15). Price, $44 per share. Offered by Eastman Dillon & Co. |
| $ 29,858,878 | |

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# Foreign Front

(*Continued from Page* 219)

creasing quantities of supplies, the report indicated. The training of Polish troops in Canada is being stimulated, and direct or indirect aid has been provided for the Dutch, Norwegians, Greeks, Belgiums, Icelanders and "the countries of this hemisphere."

President Roosevelt managed, in this report, to convey the sense of a quickening of American production in order to furnish "unstinted material aid to the countries fighting against Nazi aggression and tyranny." Such aid is not being supplied as an act of charity or sympathy, but as a means of defending America, the President said. He described it as an integral part in our great national effort to preserve our national security for generations to come, by crushing the disturbers of our peace.

"This country," Mr. Roosevelt proclaimed, "has evolved the greatest and most efficient industrial system in history. It is our task to turn the workshops of our industry into mighty forges of war — to outbuild the aggressors in every category of modern arms. Only in this way can we build the arsenal of democracy. On this task we are now engaged with ever increasing vigor. Planes, tanks, guns and ships have begun to flow from our factories and yards, and the flow will accelerate from day to day, until the stream becomes a river, and the river a torrent, engulfing this totalitarian tyranny which seeks to dominate the world."

Of the $7,000,000,000 lend-lease appropriation, some $6,250,000,000 has been allocated for specific materials and services, the report stated. More than $3,500,000,000 of legal commitments already have been made, and contracts soon will be placed for the entire $7,000,000,000 appropriation. Up to the end of August, all lend-lease defense articles transferred and services rendered came to $486,721,838. The latter sum comprised $190,447,670 of war supplies, $55,946,701 of articles transferred, some of which still are waiting to be shipped, $78,169,377 of services such as the repairing of naval vessels, and about $162,000,000 of expenditures for articles and services not yet completed.

### *Washington and Tokio*

Progress again was lacking in the last week toward that rapprochment between Japan and the United States which is desired by each country on its own terms, and the difficulties of achieving such an understanding were examined anew. Diplomatic dispatches from the two capitals continue to be colored by cautious optimism. The only really hopeful thing that can be said, however, is that there still appears to be a chance of averting a conflict.

Japanese authorities were much relieved, according to Tokio dispatches, when President Roosevelt failed to mention their country in his radio address excoriating the European Axis Powers and announcing the protection of all merchant shipping in the ocean. This was regarded as an indication that conversations on mutual problems are progressing. No information so far has been made available respecting the communication sent some weeks ago by Premier Prince Fumimaro Konoye to President Roosevelt, and this aspect of Japanese-American relations is esoteric.

The hope obviously prevails in Washington that Japan can be alienated from the connection with the European Axis. It is instructive to note that the strictly controlled Japanese press has been less friendly to Germany and Italy, of late, and apparently more sympathetic toward Britain and the United States. Whether this reflects the real views of Japanese authorities remains to be seen. There is still no adequate explanation for the sudden intervention of Emperor Hirohito in political affairs. This has been assumed in the United States to reflect a trend toward more moderate measures.

But Japan now is so deeply involved in expansionism on the Eastern rim of the Asian continent that retreat seems highly unlikely. Unless the China adventure is given up or modified, agreement between Tokio and Washington is difficult to imagine, and if the Washington attitude were to change in the sense of condoning the aggression in China, then Japan probably would not stop her expansion in any case. There were rumors on Monday, in Bangkok, that Japanese civilians steadily are filtering into Thailand, which may or may not presage a move southward by the eager Japanese militarists. Most Far Eastern experts remain skeptical of a real military move southward, and adhere to the belief that Tokio will move against Siberia in the event of any German defeat of European Russia.

### *Russo-German Battles*

Although the Russians continued in recent days to claim the winning of many battles in the conflict forced upon them by the Nazi aggressors, the course of the conflict suggests that at least a good part of the war is being won by the Germans. The vast struggle remains obscure, for the only clear fact is that both sides put forward reports which they deem suitable for their own propagandistic purposes. Careful study of the official and unofficial reports, and of the fragmentary items from independent sources, suggest that the Nazi have somewhat better support from their armies in this battle of communiques.

Far to the north the grim struggle for Leningrad continues, and it unquestionably presents one of the most sanuinary episodes in all the bloody war. Berlin claimed a slow and methodical advance of the German troops toward the encircled second city of Russia, while admitting that enormous difficulties and the sternest resistance were being encountered. Land mines by the thousands were planted by the defenders, and the Germans admitted that peculiar skill was being exhibited by the Communists in arranging their fortifications and tank defenses. But Berlin also said that the fate of Leningrad already is sealed. Moscow claimed the destruction of numerous Nazi tanks units south of Leningrad.

Two further incidents reflected the course of the battle in northern Russia. Efforts apparently were made by the Germans early this week to land large forces on the Russian-held island of Oesel, in the Baltic Sea. Moscow reported on Tuesday the smashing of the German contingents, and the sinking of at least five German transports and numerous smaller craft. London viewed this as a German attempt to make Oesel another Crete. Finland obviously was subjected to pressure from Washington and elsewhere to entertain peace overtures, now that all territory ceded to Russia last year has been regained. But Vaino Tanner, spokesman for the Finnish Government, denied any intention of seeking a separate peace, while conceding that only a defensive war and the securing of Finnish frontiers is desired.

Some 150 miles south of Leningrad another huge "battle of annihilation" was reported by the German High Command to have ended, Tuesday, in the destruction of nine Russian divisions. Moscow was silent as to this area, but if the German report proves correct, it can only mean a fresh opening wedge in the Nazi drive for positions deep within Soviet territory for the winter stand. Even Moscow would appear to be threatened if, as some military experts now suggest, the vast accumulated stocks of Russian war materials are running low.

Southward of the German salient around Smolensk, the Nazi seem to have countered successfully the Russian thrusts that were reported so hopefully from Moscow, up to a week ago. The Soviet had little to say about fighting in the Gomel-Smolensk area during recent days. But Kiev now appears to be threatened more directly than ever, through an actual or impending encirclement. Chernigov, north of Kiev, admittedly fell to the Germans last Saturday, and across the Dnieper through Kremenchug the Germans launched another attack which Moscow admitted was successful, this week. From these town north and south of Kiev, German Blitzkrieg fingers apparently were extended with lightning rapidity, for there were rumors in London, Tuesday, that the two forces had met and completed the encirclement.

German forces were driving eastward through the Ukraine in the south, as well as in the northern reaches of that Soviet area. That the Reich troops have established a number of bridgeheads across the lower Dnieper seems obvious, for moves were reported toward the Donetz Basin and the Crimean Peninsula. Any sizable German advance toward the Don naturally would endanger much of the Soviet industry still in Russian hands, and make just that much more difficult the continuation of an effective Russian defense. Odessa remained under siege, with all reports emphasizing the desperate nature of the battle for that port on the Black Sea.

Added to these matters was still another threat, this week, of German action against the Soviet defense. This concerns Bulgaria, which turned out in the Balkan episode to be a mere vassal State of the Nazi Reich. Moscow has accused the Bulgarians of permitting the Germans to establish a full scale base for military operations upon their territory. The incident recalled recent conversations at Sofia between Bulgarian authorities and the German Admiral, Erich Raeder. There is at least a possibility that plans are being pushed for a German sea offensive across the Black Sea, from Rumanian and Bulgarian bases. If the conflict continues on its present course, a Nazi assault upon the caucasus during the coming winter would seem feasible.

### *Battle of the Atlantic*

Emphasis in the war between Great Britain and the German Reich tended to shift this week to the Atlantic, notwithstanding fresh raids on a prodigious scale by British fliers against the German-held invasion coast and many cities within the Reich, itself. There was no relaxation of the British effort to bomb the German military concentrations and the industrial establishment of the Nazis. Weather conditions were poor at times, but this merely modified the activities. Raids were conducted from France to Norway, and much damage unquestionably was done the Germans.

But the deadly activities of German submarines, surface raiders and aerial bombers seemed once more to be on the increase in the Atlantic, making it quite possible that even the vast United States Navy will have a trying task on its hands in safeguarding mechant ships in accordance with the policy accounted by President Roosevelt. Submarine activity depends partly upon weather conditions, and the period now is at hand when these vessels can lie on the surface at night and recharge their batteries for daytime assault from under the surface. Indicative is a German claim, last Friday, that 22 ships in a convoy had been sunk in sustained attacks, the figure later being raised to more than 30 ship sinkings, London announced the arrival of an attacked convoy, last Sunday, after a loss of eight ships.

In consequence of President Roosevelt's pronouncement, extensive changes in the shipping arrangements plainly are indicated, but the possibility also arises of extensive alterations in the Nazi plan of attack against the British life line across the Atlantic. The arrival of numerous British merchant ships in New York, early this week, suggests that trans-shipment at Halifax will be modified, now that American naval vessels are to take up the protection of all shipping. This, however, may be a signal for the Germans to extend their attacks throughout the passage from United States ports to British ports. In such an event, the danger of "incidents" leading to the formal involvement of the United States in the European war will be increased.

### *Near and Middle East*

Together with other factors, cooler weather contributed this week to a heightening of military activities in the vast stretch from the Mediterranean to the Middle Eastern Kingdom of Iran. The portents were not entirely pleasing, for the German-Italian Axis appeared to have the initiative in some important respects. The struggle along this British lifeline to the East is certain to become desperate, if Russia is unable to hold out against the Nazis, and the current events have a corresponding significance.

Despite strenuous efforts by the British Navy in recent weeks to prevent the landing of sizable Axis contingents in northern Africa, it now appears that large forces of Germans and Italians are on hand in Libya. These contingents, moreover, are equipped with Blitzkrieg supplies, for a 35-mile thrust by Axis tank units into Egypt was reported by the British Command in Cairo, Monday. The attack was easily repulsed, it was stated, but the fact that it was attempted is highly important. British forces are known to be sizable in the Western Desert area, and the assumption heretofore has been that they, rather than the Axis forces, would take the offensive.

Airplane bombing in the Mediterranean region is on the increase by both sides. British fliers raided Italian cities and the Libyan ports again and again, in recent days, but the Axis airplanes soared frequently over the Suez waterway and there is no disputing the damage done, since the American ship Steel Wayfarer was sunk in such waters. The possibility of a sharp Axis drive against Egypt and the Suez Canal puts in a better light the British action against the French mandated territory of Syria, which on Tuesday was proclaimed free and independent by the Free French troops who accompanied the British in their invasion.

Farther to the East, the ancient land of Persia, now known as Iran, was in turmoil. British and Russian forces occupied strips of Iran several weeks ago, on the pretext of German influence, but actually to secure the rail line from the head of the Persian Gulf into the Russian Caucasus. Anglo-Russian demands that Iran hand over all Germans in that country were not met with alacrity by the regime at Teheran, and troops of the Allies thereupon were reported to have started a march upon the capital, Tuesday. Shah Riza Khan Pahlavi abdicated the throne in favor of his son, Prince Shaphur Mohammed Riza, as the Anglo-Russian forces began to move. The degree of opposition to be overcome by the Allies thus remains uncertain.

### *Seething Europe*

That all of the conquered and invaded nations of Europe currently are on the verge of revolt against the hated Nazis is suggested by reports from various centers, including Berlin. Opposition to the Germans has become general since the Russian resistance showed the way. It is not clear, however, whether the tendencies have any real military or diplomatic significance. The Germans are rumored to have from 500,000 to 800,000 men stationed in Western Europe, to ward off any British invasion attempt and to control the rebellious populace. This well armed force probably is adequate, as against the unarmed multitudes of discontented people in France, the Low Countries, Norway and elsewhere.

Attacks against Germans in the Paris area caused retaliatory measures by the German militarists, three French hostages being shot last week, while ten more were executed last Tuesday. Extensive strikes were reported in Norway, and martial law prevailed for a time. It was rumored in neighboring Stockholm that several Norwegians were executed by the Nazis before order could be restored. Troubles of a like nature were noted in Holland and Hungary. Serbian guerrillas made life miserable for many of the occupying Germans in the Balkans, and the Greeks are adepts at crossing their conquerors.

There is, unfortunately, no central directing force for these varied and distant revolts against the Nazis. From the strictly military viewpoint, it is easy to exaggerate the importance of the occurrences. In any long-range view, on the other hand, it would be impossible to over-estimate the significance of the gathering hatred for the German Nazis in the hearts of the conquered and occupied countries.

## Effects Of Wage Increases

Distributors Group, Inc., 63 Wall Street, New York City, has prepared a study of the railroad industry, analyzing the probable effects of wage increases now pending. Copies of the analysis may be had from Distributors Group upon request.

## Items About Banks, Trust Companies

What is claimed to be the world's first airport banking office was officially opened on Sept. 8 by the Empire Trust Company of New York at LaGuardia Airport, New York City, Mayor Fiorello H. LaGuardia was present and made the first deposit. The office was inspected by major airline and city officials and then placed at the service of the public. It is located on the lower rotunda of the Administration Building at LaGuardia Field and is a completely equipped banking office ready to serve the thousands of airport and airline officials and personnel as well as those of the million passengers who stream yearly through this busiest of airline terminals.

In commenting upon the new office Henry C. Brunie, President of Empire Trust Company, said that it was another identification of the bank with the growth and changes which are so constantly a part of the life of Greater New York. The officer in charge will be W. Barton Baldwin, Jr., a well-known private flier who is an Assistant Secretary of Empire Trust Company.

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The Board of Trustees of The New York Trust Company on Sept. 9 elected John E. Bierwirth as President to succeed Artemus L. Gates, whose resignation was accepted following Mr. Gates' confirmation by the Senate on Sept. 3 as Assistant Secretary of the Navy for Aeronautics. Mr. Bierwirth has been a Vice-President of the bank for nearly twelve years. Prior to that, he was Vice-President and Director of Thompson-Starrett Co., Inc. of New York, contractors and builders, following his service in the American Expeditionary Force. From the inception of his association with the trust company, Mr. Bierwirth has been a Senior Vice-President, active in all phases of its business, particularly as a commercial banker. Born in Brooklyn, N. Y., in 1895, Mr. Bierwirth was graduated from The Hotchkiss School in 1913 and received his A. B. degree from Yale University with the class of 1917.

Mr. Bierwirth is a Director of the Consolidated Gas and Electric Co. of Baltimore, Pennsylvania-Dixie Cement Co., the Bridgeport Brass Co., and a number of other corporations. The appointment of Mr. Gates as Assistant Secretary of the Navy for Aeronautics was noted in our issue of Aug. 30 page 1218.

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At a special meeting of the stockholders of Manufacturers Trust Co., New York City, which was held Sept. 3 approval was given for the merger of The Mortgage Corporation of New York into Manufacturers Trust Co. Regarding this action the bank's announcement said:

The stockholders also authorized an amendment to the certificate of incorporation increasing the authorized capital stock of the company from $47,606,180 to $48,116,180 so as to create 15,000 additional shares of the convertible preferred stock for issuance to the stockholders of The Mortgage Corporation of New York pursuant to the merger agreement, and to create 10,500 shares of common capital stock required to be reserved against conversion of such additional shares of convertible preferred stock, such amendment to be executed and filed upon the merger becoming effective.

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M. J. Fleming, President of Federal Reserve Bank of Cleveland, announced on Sept. 6 that The Bank of Elmore Company, Elmore, Ohio, has been admitted to membership in the Federal Reserve System. This is the 17th State bank that has been admitted to membership in the Fourth Federal Reserve district within the past year. The bank was organized in 1907, with a capital of $25,000, and was reorganized following the banking holiday in 1933. Since that time the growth of the bank has been consistent and deposits are now in excess of $900,000. The officers of the bank are: L. R. Magee, President; and Leo E. Momenee, Cashier and Secretary; R. A. Willett, First Vice-President; C. J. Kuhlman, Second Vice-President; John W. Truman, Assistant Cashier and Assistant Secretary; and Ida E. Weis, Assistant Cashier.

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The Federal Reserve Bank of New York has leased from Sixty Wall Tower, Inc., two entire floors in the building at 70 Pine Street, comprising about 50,000 square feet of floor space. It is said that the bank's extra activities, brought about in part by the European war, made necessary the acquisition.

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Frederick J. Raskopf has been elected an Assistant Treasurer of the Marine Midland Trust Co., New York City. He has been in the company's department since 1926.

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Arthur S. Kleeman, President of the Colonial Trust Co., New York City, announced on Sept. 4 the appointment of John J. Brennan as auditor of the company, a newly created post. Mr. Brennan has been with the bank since its organization.

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Jeremiah D. Maguire, President of the Federation Bank and Trust Co., New York City, announces the election of Thomas M. Keresey as a member of the Board of Directors of the bank. Mr. Keresey recently announced his resignation as Vice-President of the advertising firm of Lord & Thomas.

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The first annual Flower Show held under auspices of City Bank Club on the ground floor of the City Bank Farmers Trust Company Building closed on Sept. 5, after attracting thousands in the financial district with its 315 exhibits, all entered by officers and employees of The National City Bank of New York and City Bank Farmers Trust Company. Lindsay Bradford, President of City Bank Farmers Trust Co. and National Executive Vice Chairman of the United Service Organizations, opened the Show officially on Sept. 4. The Chairman of the Flower Show Committee, H. Dewey Mohr of the bank's Credit department, is a prominent dahlia grower in Rockville Centre, L. I. and a Vice President of the American Dahlia Society.

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Charles F. Nagel has been appointed an Assistant Treasurer of the Provident Trust Company, of Philadelphia. Mr. Nagel has been associated with the institution since 1924. He is a director of the Philadelphia chapter of the American Institute of Banking and a member of the board of governors of the Philadelphia chapter of the Robert Morris Associates.

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The New York State Banking Department on Sept. 2 authorized the Lincoln-Alliance Bank and Trust Co., Rochester, N. Y., to open a branch office at 621 Titus Ave., Irondequoit, N. Y. The Department, at the same

(Continued on page 222)

## Lease-Lend Materials Will Not Be Used To Compete With American Exporters

Assurance that lease-lend materials have not and will not be used in unfair competition with American exporters in world markets were given to the United States by Great Britain on Sept. 10, according to United Press accounts from Washington which said:

The assurance was contained in a memorandum by British Foreign Minister Anthony Eden, which was transmitted to the State Department by John G. Winant, United States Ambassador to London. Secretary of State Cordell Hull said the document was inspired by misunderstanding about the extent and nature of British exports.

He explained at a press conference that the memorandum represented a written record of what the British and American governments were undertaking to do co-operatively in the field of foreign trade under war conditions.

The advices from which we quote stated that the pledge failed to satisfy Senate critics of the lease-lend program. The United Press further said:

Publication of the memorandum coincided with a statement by Federal Loan Administrator Jesse Jones that the flow of American war materials to Britain may have to be curtailed to permit increased shipments to Russia.

"It is perfectly natural that we will have to spread the butter a little thinner," he told reporters.

"If much more goes to Russia, less will have to go to the British. We should help Russia all we can."

Mr. Jones doubted reports that the British had underbid American steel producers on certain structural materials used in a huge new steel plant in Brazil being built under an American subsidy. He revealed also that securities which the British have put up as security for a $425,000,000 loan from the Reconstruction Finance Corporation would be sold gradually in order to obtain the best possible prices for them.

Meantime, President Roosevelt prepared to send to Congress tomorrow a report on lend-lease shipments during the past 90 days. Such a report is mandatory under the lend-lease law.

Mr. Eden's memorandum struck at two reports usually heard when the aid program is under fire. They are: (1) That Britain is exporting lend-lease materials to South America and other markets to continue a "business-as-usual" policy during the war, and (2) that British exporters are taking advantage of a shortage of certain materials for commercial use by American exporters to consolidate their position in world markets.

The memorandum from Mr. Eden to Mr. Winant made these points, according to Associated Press London advices:

1. All materials the British obtained under lease-lend are required for prosecution of the war effort and the British Government promises to continue to take action to prevent diversions to the furtherance of private interests.

2. Lease-lend material has not been used and will not be used by the British for export.

3. The British "have not and will not apply any materials similar to those supplied under lease-lend in such a way as to enable exporters to enter new markets or extend their export trade" at the expense of United States exporters.

4. From its promise not to re-export lease-lend material, the British Government made an exception of special cases such as parts to complete installations already under construction.

5. The British promised to control distribution of lease-lend goods in the United Kingdom so that there "will be no more than a fair return for services rendered in the work of distribution," and this will be mainly through Government agencies.

6. No food obtained through lease-lend will be sold at uncontrolled prices.

7. Free distribution of such goods as milk products will be adopted in some cases.

The pledge to the United States was announced, it is stated, in a White Paper laid before the British Parliament setting out principles which should govern the use and distribution of lend-lease materials.

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## Roosevelt Again Orders Employment Discrimination Cease In Gov't Offices

President Roosevelt on Sept. 6 once again took action toward the elimination of employment discrimination in the Federal Government when he instructed the "heads of all departments and independent establishments" of the government to take immediate steps to assure "that in the Federal service the doors of employment are open to all loyal and qualified workers regardless of creed, race or national origin."

The President's action was based upon a recommendation received from Mark Ethridge, chairman of the Fair Employment Practice Committee, which was set up in the Office of Production Management, by executive order on June 25, to investigate the problems of minority groups, particularly discrimination against Negroes. In a letter to Mr. Ethridge, which was made public Sept. 6, the President emphasized "the necessity of impartial administration of the Federal Civil Service" and thanked the committee for its "conscientious work."

In his letter to the heads of departments and agencies he said:

It has come to my attention that there is in the Federal establishment a lack of uniformity and possibly some lack of sympathetic attitude toward the problems of minority groups, particularly those relating to the employment and assignment of Negroes in the Federal civil service.

With a view to improving the situation, it is my desire that all departments and independent establishments in the Federal government make a thorough examination of their personnel policies and practices to the end that they may be able to assure me that in the Federal service the doors of employment are open to all loyal and qualified workers regardless of creed, race or national origin.

It is imperative that we deal with this problem speedily and effectively. I shall look for immediate steps to be taken by all departments and independent establishments of the government to facilitate and put into effect this policy of non-discrimination in Federal employment.

Creation of the Fair Employment Practice Committee to prevent discrimination in defense work was reported in our issue of June 28, page 4050.

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## Items About Banks, Trust Companies

(Continued from page 221)

time, issued a certificate authorizing this branch to operate a personnel loan department.

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The Montrose Industrial Bank, Brooklyn, N. Y., received permission from the New York State Banking Department on Sept. 2 to increase its capital stock from $150,000, consisting of 7,500 shares of the par value of $20 each, to $175,000, consisting of 17,500 shares of the par value of $10 each, it is learned from the Department's "Weekly Bulletin" issued Sept. 5.

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The Pennsylvania Company for Insurances on Lives & Granting Annuities, of Philadelphia, announced on Sept. 3 that a special meeting would be held on Nov. 3 at which stockholders will be asked to approve a capital increase and an offering of stock to shareholders.

A letter to stockholders from William Fulton Kurtz, President of the institution, said approval will be asked for an increase in authorized capitalization from 840,000 to 1,000,000 shares.

The letter said:

"It is the present intention of the board of directors, as and when conditions appear favorable, to offer all of these additional shares to the shareholders for subscription pro rata at a price at or about the then current market price, any shares not subscribed by shareholders to be taken up by prearrangement with other responsible purchasers."

In his letter, Mr. Kurtz also advised stockholders:

"Our capital surplus and undivided profits (excluding reserves) presently aggregate $22,000,000, and you may ask why it is desirable to add to these funds through the sale of additional shares.

"The reason is that during the several years before and after the nation-wide banking crisis of 1933, our capital funds were substantially reduced by losses on loans and by depreciation of other assets, and since then, the current growth of our business and the increasing demand for our services warrant a more substantial addition to capital funds than can reasonably be expected from recoveries and from undistributed earnings and profits except over a period of years."

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The Columbus Trust Co., Newburgh, N. Y., and the Sullivan County Trust Co., Monticello, N. Y., have become members of the Federal Reserve System, it is announced by the Federal Reserve Bank of New York. These new members represent the 31st and 32nd banks in the Second (New York) District to be admitted to membership in the Reserve System thus far this year. The Columbus Trust has assets approximating $4,900,000, while the Sullivan County Trust has assets of about $1,015,000.

Officers of the Columbus institution include James J. Flanagan, President; William K. Jerome, Secretary, and Barclay Van Cleft, Treasurer. W. H. Peters is President of the Sullivan County Trust Co. and J. J. Grubs is Vice-President.

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Arthur W. Spolander, Vice-President and Trust Officer of the Peoples National Bank of Brooklyn in New York, was elected a director of the bank at a Meeting of the Board of Directors held on September 9. He fills the vacancy due by the death of the late Dr. Henry L. Schelling.

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The retirement of J. Vion Papin as Head of the Statistics and Library Department of the Federal Reserve Bank of St. Louis, effective Sept. 1, was announced on Aug. 29. The announcement said that the retirement is in accordance with the provisions of the Federal Reserve Retirement System. Prior to joining the St. Louis Reserve Bank, Mr. Papin had served the St. Louis "Republic" from 1899 to 1920, the last 15 years as commercial and financial editor. From the announcement of Aug. 29 we also take the following:

Mr. Papin came to the Federal Reserve Bank of St. Louis as Statistician on April 19, 1920. One of his assignments was the preparation of the Monthly Review of Business and Agricultural Conditions in the Eighth District, which is furnished to banks, business men and others. For a time he also served as Acting Assistant Federal Reserve Agent, in addition to his regular duties.

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The addition of the Community Bank, Steelville, Mo., and the State Bank of Salem, Salem, Mo., to membership in the Federal Reserve System brings the total membership of the Federal Reserve Bank of St. Louis to 430. Since the beginning of 1941, fourteen State banks in the St. Louis District have joined the Reserve System. The Community Bank, which was admitted to membership on Sept. 8, has a capital of $25,000, surplus of $15,000, and total resources of $478,940. C. M. Fitzgerald is President and Chairman of the Board. The State Bank of Salem, admitted on Sept. 6, has a capital of $100,000, surplus of $25,000, and total resources of $1,252,667. It is headed by Lee L. Persise.

### *Obituaries*

William L. Walz, Michigan banker and Treasurer of the Democratic State Central Committee, died at his home in Ann Arbor, Mich., on Aug. 30, at the age of 67. Mr. Walz was stricken following an attack of indigestion suffered by his wife. Mrs. Walz died on Sept. 1. The following bearing on Mr. Walz's career is from Ann Arbor advices, Aug. 31, appearing in the Toledo (Ohio) "Blade":

Mr. Walz, who on June 2 observed his 50th anniversary in banking, was President of the Michigan State Bankers Association in 1936-37 and in 1936 declined an appointment as State Banking Commissioner. He was Mayor of Ann Arbor from 1909 to 1913.

Mr. Walz worked up from messenger to President of the Ann Arbor Savings Bank and in 1935 became Vice-President of the Ann Arbor Savings and Commercial Bank when three banks were merged here. He also was President of the Ann Arbor Federal Savings and Loan Association. He had been Democratic County Chairman continuously since 1912 except for one two-year period.

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Livingston Erringer Jones, President of the First National Bank of Philadelphia, Pa., died on Aug. 30, in a hospital in Jackson, Wyo., following an operation for appendicitis. Mr. Jones, who was 63 years old, was stricken Aug. 19, while visiting a daughter at Cora, Wyo. A native of Germantown, Pa., Mr. Jones was educated at the William Penn Charter School and Princeton University, having graduated from the latter in 1899. In that year he entered business with Reeves, Parvin & Co., a wholesale grocery firm, remaining with them until 1913 when he became President of the Savings Fund Society of Germantown. He was made President of the First National Bank of Philadelphia in 1922. As to other capacities in which Mr. Jones served during his career, we take the following Philadelphia advices, Aug. 30, from the New York "Times" of Aug. 31:

In 1931 Mr. Jones was chosen one of 12 men, one from each Federal Reserve District, to serve on the board of directors of the National Credit Corporation, a huge credit pool formed at the suggestion of President Hoover, to serve financially distressed banks.

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Florriman Moulton Howe, President of the Industrial Trust Co., Providence, R. I., died on Sept. 5 at the Jane Brown Hospital, Providence. He was 62 years old. Mr. Howe, a native of Hudson, Mass., spent his entire business career in the banking field. The following account was contained in the Providence "Journal" of Sept. 6:

He entered the employ of the Old Colony Trust Company of Boston in September, 1900, and served that institution in various capacities for 14 years.

On Oct. 29, 1914, he resigned to become Cashier of the Federal Reserve Bank of Boston. In the next several years, he was instrumental in organizing the newly-formed Federal Reserve System and took an active part in the World War Liberty Loan drives which entailed a vast amount of work for Federal Reserve officials.

Mr. Howe came to Providence on Jan. 2, 1918, as Vice-President and Director of the Industrial Trust Company.

Six years later, on Jan. 15, 1924, he was elected President of the institution to succeed the late H. Martin Brown, who had declined re-election.

In addition to his presidency of the trust company, Mr. Howe was President and director of the Industrial Safe Deposit Co. and the Industrial Holdings Co.

He never lost interest in the work of the Federal Reserve system. He was the member from Rhode Island of the Stockholders' Advisory Committee of the Federal Reserve Bank of Boston.

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Charles Leo Clune, a Second Vice-President of the Chase National Bank, New York City, died at his home in Yonkers, N. Y., on Sept. 2, at the age of 52. A member of the New York bar for 25 years, Mr. Clune had been associated with the Seaboard National Bank and the Equitable Trust Co. before joining the Chase National Bank.

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Harrison H. Riddleberger, an Assistant Cashier of the Bank of the Manhattan Company, New York City, in the personal loan department, died on Sept. 7 at his home in New York City. Mr. Riddleberger was born in Virginia, the son of the late United States Senator H. H. Riddleberger, of Virginia. He was graduated from George Washington University and practiced law in Norfolk, Va., before coming to New York as counsel for the Industrial Finance Company, the parent company of the Morris Plan banks. He later was associated with the Gotham Industrial Bank and the Underwriters Trust Company before joining the Bank of the Manhattan Company in 1936.

# Says Greater Diversion To Defense Work Of Productive Effort Is Urgently Needed

"A greater diversion to defense work of the productive effort of the consumers' durable goods industries, including labor, management and machines, is urgently wanted," according to the September "Monthly Bank Letter," of the National City Bank of New York, issued Sept. 2, which in part also says—

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Critics of the defense effort maintain that the boom in automobiles, refrigerators and similar articles has already lasted too long, . . . Everyone agrees that armament production should have full priority, and that diversion of productive capacity to defense work should be pushed to the utmost. However, there is another side to the opinion represented by the above criticism. It will bear repeating that in many cases the adaptation to armament production of existing factories and equipment, which were built to make peace-time goods, was impracticable, or so difficult and costly that it has been more efficient to build new factories and install new machinery especially for armament use.

This being so, it is questionable whether arbitrary curtailment of consumers' durable goods output, during the period while the armament effort was being planned and the defense factories built and tooled, would not have proved premature and unnecessarily depressing. In the main, there was no other employment for the machines or the labor until the defense program was further along.

Now that the defense factories are reaching the production stage, a substantial curtailment of consumer goods output can take place without causing grave unemployment and distress. At the same time consumers are well stocked with these goods. It is agreed in many of the industries affected that there would be a natural falling off in demand during the next 12 months in any case, because buyers have anticipated their wants.

One of the government agencies is said to have predicted that 5,000 to 6,000 factories may be affected by materials shortages, and Mr. Henderson has stated his belief that the number of workers involved, and in part facing temporary unemployment; might exceed 2,000,000. Of course this does not signify that the curtailment will come uniformly or overnight, or that it will necessarily develop more rapidly than the labor, or most of it, can be absorbed in defense work. In many cases manufacturers still have good stocks of materials on hand, accumulated during the past year, and these stocks will cushion the effects of the priorities while the shift to defense work goes on.

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In the aggregate, the effect of the materials shortages evidently will be to apply a brake to the expansion of production. and to change the pattern of industrial activity by the shift from civilian to armament work, but the continuous growth of the defense program provides assurance against any general recession.

At the outset of its Comments the bank says:

The developments of the past month have supplied further indications that the business situation is moving into a new phase. Heretofore defense and non-defense production have been rising together, but the uptrend in non-defense activity, which has brought the output of consumers' goods to the highest levels ever reached, evidently is drawing to a close. This is the expected effect of the increase in defense requirements priorities, ocean transport congestion, and restriction of civilian consumption in order to build up supplies of strategic materials.

# Government Cotton Report

Prospects for this year's cotton crop declined by 107,000 bales during August according to the September 1 estimate of the Department of Ariculture, which places the crop at 10,710,000 bales, the smallest since 1935 and more than 2,500,000 bales under the ten year (1930-1939) average of 13,246,000 bales. A somewhat greater decline had been generally expected, as private forecasts issued only a few days before the government's report had averaged only about 10,600,000 bales and one was as low as 10,292,000 bales. The better than anticipated government estimate had however only a momentary depressing influence in the markets, prices rising later the same day to the highest in twelve years.

Considering the huge carryover of the staple at the start of the current season (12,250,000 bales) it would not seem reasonable that a difference of 100,000 or 200,000 bales in the prospective supply should regarded as a consequential factor. As a matter of fact, the question of supply and demand is distinctly secondary as a market consideration to the 85% of parity loan rate, made mandatory by recent legislation. With this law on the books economic factors hardly matter marketwise. Another law passed by Congress last month, but fortunately vetoed by the President, would have gone further to create an artificial value for cotton, as well as wheat, by freezing indefinitely the amounts of these commodities in which the Commodity Credit Corporation has an interest.

More stress is laid in governmental circles upon the maintenance of the cotton farmer's income than in placing his occupation upon a sound economic foundation. Cotton state congressmen seem to believe that the nation's economic welfare is benefitted by a handout to the producer, regardless of whether his product retains its market. Actually such a policy is not even to the producers ultimate advantage. Sound consideration of the problem must necessarily involve keeping American cotton in a competitive position in world markets and within the reach of domestic consumers.

It is a well-known fact that in the past season our exports of cotton have dropped to only 1,083,505 bales from 6,191,712 bales in the preceding season. Responsibility may be laid in large part, of course, to the war prevailing over a large portion of the world. But this factor is not the only one, for our export loss has been much greater than that of the world's exporting nations as a whole. This is evidenced by the fact that in the 1940-41 season we dropped to third position among cotton exporting nations from first in the preceding season. Exports of low priced British Indian and Brazilian cotton last season surpassed American cotton, whereas in the preceding year our shipments were about equal to those of all other exporting nations combined.

# From Washington

(Continued from First Page)

ing feuds where the participants always profess the utmost friendship towards the other. In the case of Baruch, he is not in a position, while smiling, to give the President a rapier thrust. But the President does do that frequently to him.

This writer is convinced from long observation that Mr. Roosevelt is just about as determined as he is to defeat Hitler, not to let Barney. Baruch get any "honor" or "credit" out of his administration. Baruch, in fact, is one of the President's complexes. He will let him come into lunch; he will sit and talk with him and say "yes, yes," but whenever the suggestion arises that Baruch is helping him he promptly sits on the idea.

We were present at a scene which made a very firm impression upon us at Warm Springs, Ga., in the winter of 1932-33, in the interim of Mr. Roosevelt's election and inauguration. In the morning we newspapermen had met Baruch at the hotel and asked him what brought him to Warm Springs. Immediately there ran through our minds that he was being considered for a cabinet position or some other high post in the Roosevelt administration.

Baruch explained that he had been visiting at his place in South Carolina and had returned East when the President-elect asked him to return to Warm Springs. That afternoon we went to Mr. Roosevelt's cottage for our daily press interview and Baruch was sitting there with Mr. Roosevelt. We asked him if he could say anything about the financier's visit.

Roosevelt looked straight at him and replied, in effect: "Why, Barney was over at his South Carolina place and asked if he might drop by. That's all there is to it."

Baruch grinned.

**Subsequently we were told by those who professed to have known the Roosevelt mind for a long time that there was one thing we could depend upon, and that was, that Baruch would never play any real part in the Roosevelt administration. The feeling with which we were given these assurances was marked.**

Of course, Baruch had been an anti-Roosevelt man before Chicago 1932. But he had come in and contributed handsomely in the subsequent campaign.

During the past eight years, he has been speculatively mentioned for nearly every important vacancy that has come up in the New Deal. This writer has always been convinced that he would never land anywhere.

His intense efforts now to be of some service in the present crisis recalls the efforts of General Leonard Wood to go to France in the last World War and Wilson's determination that he should not go.

It is just an interesting study of men who do things, that's all.

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Leon Henderson's close friends are advising him to back off his efforts to get price fixing legislation through Congress. They contend he is heading for trouble and that if the legislation should be passed, Congress is likely to do everything it can to subordinate him. Henderson, despite his success up-town, has a way of rubbing Congress the wrong way. For one thing, he has expressed his contempt for some of the members, notably Martin Dies who insists he has a lot of Leftists in his set-up. And many members of Congress, chafing over their impotency, are just looking around for someone on whom to vent their spleen.

Mr. Roosevelt needs Congress occasionally. He will need it for his second lend-lease appropriation. It is amazing how little he has come to need it, but then on occasions he does need it. There is quite a bit of feeling at the Capitol to make Leon's scalp the price of any further major legislation.

**Henderson could go right ahead as the price czar and by bull dozing and with the tremendous machinery in the hands of the executive branch, probably be just as effective without legislation as with it. Any legislation that comes forth is more likely to check him.**

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At long last, there are indications that Mr. Roosevelt may make a serious effort to get the Neutrality Act repealed. If it should be, it would relieve one of the most incongruous situations in which this Government has ever been placed. Mr. Roosevelt periodically reaffirms our traditional claim to the freedom of the seas. The Neutrality Act expressly foresakes it for the duration of the war. Yet it is doubtful, so illogical is Washington these days that it can be repealed.

# Roosevelt Tells Brazil No Nation Is Safe Against Current Aggression And Conquest

President Roosevelt, in a message congratulating the people of Brazil on the 119th anniversary of their independence, declared on Sept. 7 that "no nation is safe" against aggression and conquest, which "are now grinding hither to great, happy and peaceful nations into the most abject misery and poverty." The President also said that "never was the world more in need of a re-establishment of the ideals of peace and justice for which Brazil has so constantly stood." The President observed that "Brazil's policies have constantly been based upon continental friendship and solidarity"; he added that "the United States is in accord with Brazil in these principles; it will continue to support them with all its moral and material resources."

Mr. Roosevelt's message was read in Portuguese in his behalf by Carlos Martins Pereira de Souza, the Brazilian Ambassador, on a short-wave broadcast to Brazil.

The text of the message follows:

On this memorable date we in the United States of North America join with you, the government and people of Brazil, in commemorating the "grito de Ypiranga"—that resounding assertion of Brazilian independence which was so eloquently voiced by Dom Pedro.

This spirit of independence makes us kindred peoples who can understand, appreciate and respect each other's feelings and mainsprings of action. The further ties that bind us in friendship and mutual interest are many and strong. They are also ancient and enduring.

Brazil has shown constant devotion to the sentiment of fraternity toward all her sister nations of the Americas, in deed as well as in word. Brazil has steadily rendered service to the cause of peaceful arbitration. Brazil harbors no aggressive designs against any nation. Brazil's policies have constantly been based upon continental friendship and solidarity. The United States is in accord with Brazil in these principles; it will continue to support them with all its moral and material resources.

Because of this fundamental sympathy of spirit and purpose, President Vargas's recent greeting of friendship upon the occasion of our own Independence Day was particularly touching to the hearts of the people of the United States. Because of it, also, it is deeply gratifying to me to return this greeting on behalf of the people of my country on this anniversary of Brazil's emergence as an independent force devoted to the principles of justice and fraternity among independent nations—an emergence which we are proud of having been first to recognize.

Aggression and conquest are now grinding hitherto great, happy and peaceful nations into the most abject misery and poverty. No nation is safe against them. Never was the world more in need of a reestablishment of the ideals of peace and justice for which Brazil has so constantly stood. I know that they will always receive support from a Brazil always growing in prosperity and prestige.

In a radio broadcast from Rio de Janeiro, upon the occasion of the independence anniversary, President Getulio Vargas said on Sept. 7 that nations which wish to remain free must submit to "armed vigilance" and that the armed might of America would be used to repulse aggression "from wherever it may come." This is learned from United Press accounts which likewise quoted President Vargas as follows:

"The arms of America are dedensive; they will not be used to attack any one," the President said. "It is not the spirit nor the policy of the Americas to attack any people or to violate the rights of others. But in the hearts of all, from the coast of the Pacific to the Atlantic, there is an unbreakable sentiment of continental patrimony. Any aggression, from wherever it may come, finds us forming the most numerous bloc of nations ever constituted into a defensive alliance.

"We are a pacific nation and our greatest aim is to remain outside the terrible contingencies of war. But we cannot foretell occurrences or under what conditions we will be called upon to participate or what will be demanded from us in the violent reform of the civilized world."

He said that the Brazilian nation "understands and applauds" the attitude so far maintained by the government and that the "same serenity must continue to be observed in this armed vigilance which all countries which wish to remain free and sovereign must submit to."

"We pledge ourselves not to allow anything to disturb the peace of our homes, our order, our work, and our constant drive toward progress," President Vargas said. "These words of confidence to the Brazilians can also be heard by the other peoples of America. National unity is the first step toward continental unity."

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# Secretary Wickard Announces Farm Production Program To Meet Domestic, Other Needs

A farm production campaign for 1942 providing for a complete mobilization of American agriculture to adjust production to domestic needs for national defense and to the needs of the nations resisting aggression, was announced on Sept. 8 by Secretary of Agriculture Claude R. Wickard. The campaign will be under the supervision of State and county USDA Defense Board which are made up of representatives of all Department of Agriculture agencies in the field.

Production goals for 1942 and the part which agriculture will be called upon to play in the defense effort will be discussed with farmers and farm leader in four regional agricultural defense conferences (as noted in these columns Aug. 30, page 1220), scheduled for Salt Lake City Sept. 15 and 16, Chicago Sept. 18 and 19, New York City Sept. 24 and 25, and Memphis Sept. 29 and 30.

"For the first time in the history of agriculture in this country," said Secretary Wickard, "production goals for all essential farm commodities have been established. They have been established on the basis of a thorough canvass of the needs for improved nutrition in this country and the needs of the nations that still stand between this country and Hitler." The Secretary further said:

"Every farmer in the United States will be contacted by local farmer committeemen under the supervision of USDA Defense Boards and will assist with individual farm plans to determine the extent to which each farm can contribute to agriculture's task in national defense. * * *

"The adjustment machinery of the National Farm Program will be applied to the whole range of agricultural commodities to assure plenty of the commodities for which there is increased need while continuing to hold in check the production of commodities of which we already have large reserves.

"The goals for 1942 call for the largest production in the history of American agriculture but we are not going to have to plow up the hills and the plains to get it. We have adequate reserves of feed grains for increased production of livestock products and it will not be necessary materially to increase total crop acreage next year.

"Farm production in general is in good balance but greatly increased supplies of some commodities will be needed. In this emergency I have found it necessary to encourage the expansion of the production of hogs, eggs, evaporated milk, dry skim milk, cheese and chickens, and accordingly I have today made a formal public announcement that the Department of Agriculture will support prices for these commodities until Dec. 31, 1942 at not less than 85% of parity. Increases in the production of other crops in 1942 are also desirable as indicated by the goals."

The British Government expects to need from this country about a fourth of its supply of animal protein foods or the equivalent of enough to feed 10,000,000 people. Total British needs for United States farm products are expected to amount to about 6 to 8% of total United States farm production. Total exports, including Lease-Lend shipments, may amount to as much as 8 to 10% of total production. For the fiscal year 1942-43 it is expected that exports may require the product of 25 to 27,500,000 acres of cropland, which is about the same as the average for the period 1936-37 through 1940-41. For the fiscal year 1940-41 exports required only about half as much acreage as is expected for the fiscal year 1942-43.

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# LEGAL ODDITIES

## THE EXPENSIVE COLLECTION

"The Widow Brown still owes $8.95 on that suit of clothes she bought for her son," a clothing store manager declared.

"I'll call there tomorrow morning," the collector agreed.

"And take some of our 'deadbeat' cards along," the manager suggested.

"Sure — I'll get the money, or I'll placard her house so it'll look like a circus wagon."

That afternoon citizens walking past the Widow Brown's humble home saw upon the gate post a number of cards or placards bearing the name and address of the clothing store company.

"Please take notice," the placards screamed in heavy type, "Our Collector (in still heavier type) was here for payment. We would save you the annoyance of his further calls, if you will pay at the store," in smaller letters, but the citizens aforesaid, quite naturally, read it all.

Whereupon the Widow Brown did not call nor "pay at the store", but she did call on a lawyer, who assured her that she had a good case.

"Sue 'em for libel," the attorney suggested, and the Kentucky Court of Appeals in 203 S.W. 558, ruled that the widow had a legal "right of action."

"Some effect must be given to the studied effort of the collector to give the publication as wide and as effective publicity as the circumstances would permit. Viewing the transaction in the light of this fact, it cannot be doubted that the real purpose was to coerce the payment of the debt by publishing the customer's delinquency, and thus disgracing her in the eyes of the public," said the Court of Appeals (in 203 S.W. 558) in ruling in the widow's favor.

In the same case the Court referred to Wisconsin and Missouri decisions that envelopes sent through the mails, with "For collecting Bad Debts," and "Bad Debt Collecting Agency" printed thereon in heavy type, were libelous.

"In this case the publication was by means of cards so artfully placed as not only to attract the attention of those who were naturally curious, but to lure the gaze of those whose proneness to pry had long since lost its edge. We, therefore, conclude that the words in question were libelous per se," the Kentucky Court concludes.

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# Our Reporter On "Governments"

The "uncertainty" over the Government bond market's trend—clearly expressed in this column during the past two weeks—has now turned into what comes mighty close to "conviction." . . . The list has been sagging badly in recent sessions. . . . A tremendous short interest has been built up by professional traders, according to informed sources. . . . And although the pessimism is not obvious to the casual observer, there's no doubt that the bearish contingent in the Government bond crowd has grown markedly in the last few weeks. . .

As this is being written, the market is ending a full week of uninterrupted decline. . . . On that basis alone—on the technical basis, in other words—a rally from the present lows is probable. . . . But a day-to-day reaction or rally is only of minor interest to the institutional investor. . .

The question of prime importance is whether the Government market is establishing an intermediate or long-term downtrend. . . . Little movements don't matter. . .

**Playing Safe**

It would be fool-hardy for any observer to come out flat-footed for the bearish or the bullish side during a period of such worldwide unsettlement. . . . The news from week to week may make long-term predictions appear ridiculous. . .

But these are points worth serious consideration:

**(1) At present, most experts close to the market are playing an exceedingly safe game. . . . They're not building up positions in long-terms. . . . In fact, they're working on the opposite side. . .**

(2) The tenor of the news, both domestic and foreign, is scarcely designed to create confidence in the continued stability of the high-grade bond market. . . . Domestically, there is the probability of action soon to slash bank excess reserves. . . . There is Secretary Morgenthau's blunt statement at Boston last week that "we may have to extend general control over bank credit and create controls over selected capital expenditures." . . .

(3) As for the foreign setup, well, it's difficult to "buy the market" when the United States is beginning a "shooting war." . . .

(4) The business boom is diverting the attention of institutions and other investors that until a year ago had no other avenue for investment than the high-grade market. . .

There are other factors in the picture too, of course, factors that every investor is clearly aware of. . . The points mentioned here, though, suggest that:

While conditions remain so confused, the best policy to follow is the conservative one. . .

Don't enter the open market and buy bonds, except on dips. . .

Confine operations now to the short-term lists—the very short—term lists. . .

Be sure your present portfolio is in a position to withstand any month-long reaction. . .

**Excess Reserves**

Nothing new has come out about the reserve requirement situation since the last writing. . . . Stories about the imminence of a move to cut at least $1,000,000,000 from the present total of $5,110,000,000 are multiplying daily. . . . Every trader is discussing the subject, wondering about the timing of the Federal Reserve Board's move, about its effect upon the price level. . . . But we still don't know anything more definite than we did two weeks ago. . .

What we do know, however, are these angles:

(1) A step to cut excess reserves is in the offing and whether it comes next week or next month or the month after that is not as important as the fact that it is being considered seriously. . .

**(2) The Federal Reserve Board won't be satisfied with just using up its present powers to raise reserve requirements and reduce excess reserves. . . . Chairman Eccles wants more authority to deal with inflationary forces. . . . He wants the power to double reserve requirements after the present maximum has been reached. . .**

(3) With Secretary Morgenthau and Reserve Chairman Eccles now working together—instead of against each other—the possibility of the board obtaining the authority it wants is greater now than at any time in recent years. . .

Study these points and guide yourself accordingly. . .

**Inside The Market**

Treasury bill market is suffering because of corporation interest in tax-anticipation notes. . . . Which was exactly what observers expected. . . . But with market acting poorly now, traders look for renewed interest in bill offerings. . . . Institutions probably will buy bills to keep their cash invested while they wait for another buying opportunity in the market. . .

Several big Government bond men telling their clients to buy notes, maturing issues or bills for the next month or so, forego income for safety. . .

**One odd story around is that Treasury wants outstanding 2½ per cent bonds to go down so that spread between price on these (the 2½s of 1954/52 are at the 105 level) and price of par on the 2½s designed for public consumption (The Series G bonds, available only at 100) will be smaller. . . . Answer is Morgenthau is embarrassed by 5-point differential. . .**

Increased interest being shown—in inquiries anyway—in Federal Land Bank bonds, which are as good as direct Governments, even though they're not even guaranteed. . .

House Bill 5336, proposed recently by Representative Hampton P. Fulmer, Democrat, South Carolina, asks for outright guarantee of Federal Land Bank obligations. . .

For general interest, recent Indiana University School of Business bulletin shows Indiana banks in the last four years have been following a policy of drastic shortening of their Government bond maturities. . .

Sample group of 100 banks at end of 1940 had 15 to 20 per cent in secondary reserve securities; less than 5 per cent in other securities due within three years; 10 to 15 per cent in securities due in three to five; 20 to 25 per cent in securities due in five to ten; 15 to 20 per cent in securities due in ten to 15; 5 to 10 per cent in securities due in 15 to 20 and 5 to 10 per cent in securities due in over 20 years. . .